THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THIS DISCLOSURE STATEMENT MAY BE REVISED PRIOR TO THE COURT'S APPROVAL OF THE DISCLOSURE STATEMENT.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:	**Chapter 11**
TAYLOR, BEAN & WHITAKER MORTGAGE CORP., REO SPECIALISTS, LLC, and HOME AMERICA MORTGAGE, INC.,	**Case No. 3:09-bk-07047-JAF** **Case No. 3:09-bk-10022-JAF** **Case No. 3:09-bk-10023-JAF**
Debtors and Debtors in Possession.	**Jointly Administered Under Case No. 3:09-bk-07047-JAF**

DISCLOSURE STATEMENT OF THE DEBTORS, PURSUANT TO SECTION 1125 OF THE BANKRUPTCY CODE, WITH RESPECT TO JOINT PLAN OF LIQUIDATION OF THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

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Please note that this Disclosure Statement has not yet been approved by the United States Bankruptcy Court for the Middle District of Florida under § 1125 of the Bankruptcy Code for use in the solicitation of acceptances of the Chapter 11 Plan described herein. Accordingly, the filing and distribution of this Disclosure Statement is not intended, and should not be construed, as a solicitation of acceptances of such Plan. The information contained herein should not be relied upon for any purpose before a determination by the Bankruptcy Court that this Disclosure Statement contains "adequate information" within the meaning of § 1125 of the Bankruptcy Code.

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EXHIBITS:

I. DEFINITIONS

Capitalized terms used in this Disclosure Statement and not otherwise defined herein shall have the meaning given to such terms in the Definitions Annex attached to the Plan.

II. INTRODUCTION

TBW filed a voluntary petition under Chapter 11 of the Bankruptcy Code on August 24, 2009, and its wholly-owned subsidiaries, Home America Mortgage and REO Specialists, filed on November 25, 2009, thereby commencing these Chapter 11 Cases pending before the Bankruptcy Court. TBW, Home America Mortgage and REO Specialists are individually, a "Debtor,"[1] and collectively, the "Debtors."

Since filing for bankruptcy protection, TBW has continued to operate its business and manage its affairs as a debtor-in-possession pursuant to § 1107 and § 1108 of the Bankruptcy Code. TBW ceased originating mortgage loans just prior to the Petition Date, and its post-petition business has consisted principally of loan servicing, the liquidation of its loan portfolios and REO, the analysis, prosecution, defense and settlement of Claims, the wind-down of its business, and the orchestration of a consensual plan of liquidation. HAM, which pre-petition was in the business of originating mortgage loans that it assigned to TBW, is a debtor-in-possession but has not operated as a business since the Petition Date. REO Specialists' only asset as of the Petition Date was the ownership of a deposit account.

The Debtors and the Creditors' Committee (referred to collectively as the Plan Proponents) filed their Plan on September 21, 2010. A copy of the Plan is attached hereto as Exhibit A. THE PLAN IS THE PRODUCT OF CLOSE COLLABORATION BETWEEN THE DEBTORS AND THE CREDITORS' COMMITTEE, AND THEIR RESPECTIVE PROFESSIONALS. THE DEBTORS AND THE CREDITORS' COMMITTEE SUPPORT THE PLAN AND URGE CREDITORS TO VOTE IN FAVOR OF THE PLAN.

Approval of this Disclosure Statement by the Bankruptcy Court does not mean that the Bankruptcy Court recommends acceptance or rejection of the Plan.

This Disclosure Statement was prepared by the Debtors' professionals in conjunction with, and based on information provided by, the Debtors' employees throughout these Chapter 11 Cases. The Debtors are solely responsible for the information contained in this Disclosure Statement. This Disclosure Statement does not constitute financial or legal advice. Creditors and Interest Holders of the Debtors should consult their own advisors if they have questions about the Plan or this Disclosure Statement.

While this Disclosure Statement describes certain background matters and the material terms of the Plan, it is intended as a summary document only and is qualified in its entirety by reference to the Plan. Furthermore, descriptions in this Disclosure

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[1] Pursuant to the Definitions Annex, when not otherwise indicated, Debtor shall mean TBW.

Statement of pleadings, orders, and proceedings in these Chapter 11 Cases are qualified in their entirety by reference to such pleadings, orders and proceedings, including the relevant docket items noted herein. You should read the Plan, such pleadings or orders, and the transcripts of the proceedings in these Chapter 11 Cases to obtain a full understanding of their provisions. Additional copies of this Disclosure Statement and the Exhibits attached to this Disclosure Statement, as well as any docket items from these Chapter 11 Cases, are available for inspection during regular business hours at the office of the clerk of the Bankruptcy Court, United States Bankruptcy Court for the Middle District of Florida, Bryan Simpson United States Courthouse, 300 North Hogan Street, Jacksonville, Florida 32202. In addition, copies may be viewed on the Internet at the Bankruptcy Court's website (http://www.flmb.uscourts.gov/) by following the directions for accessing the ECF system on such website. Copies are also available free of charge from the Claims Administrator by writing to TBW Ballot Processing, c/o BMC Group, Inc., 18750 Lake Drive East, Chanhassen, MN 55317, or by telephone at (888) 909-0100 or via email at info@bmcgroup.com. Copies of the Plan and Disclosure Statement can also be viewed online, free of charge, at www.bmcgroup.com/tbwmortgage. The list of General Unsecured Claims included in TBW Class 9 (titled General Unsecured Claims (Trade Creditors) Against TBW) can also be viewed online, free of charge, by accessing www.bmcgroup.com/tbwmortgage and following the links to information regarding TBW Class 9.

The statements and information concerning the Debtors and the Plan set forth in this Disclosure Statement constitute the only statements or information concerning such matters that have been approved by the Bankruptcy Court for the purpose of soliciting acceptances or rejections of the Plan.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified herein. Neither delivery of this Disclosure Statement nor any exchange of rights made in connection with the Plan will under any circumstances create an implication that there has been no change in the information set forth herein since the date that this Disclosure Statement and the materials relied upon in preparation of this Disclosure Statement were compiled. The Debtors assume no duty to update or supplement the disclosures contained herein and do not intend to update or supplement the disclosures, except to the extent, if any, necessary at the hearing on confirmation of the Plan.

This Disclosure Statement may not be relied upon for any purpose other than to determine whether to vote in favor of or against the Plan. Certain of the information contained in this Disclosure Statement is by its nature forward-looking and contains estimates, assumptions, and projections that may be materially different from actual future results, including any estimates of the Cash that will be available for Distribution to the Holders of Claims, estimates of the percentage recovery of the various types of Claims, estimates of the aggregate final allowed amounts of the various types of Claims, estimates of the proceeds from the sale, liquidation, or other disposition of the Debtors' remaining Assets, estimates of the value of the Plan Trust Assets, and estimates of the expenses that will be incurred by the Plan Trust. There can be no assurance that any forecasted or

projected results contained herein will be realized, and actual results may vary from those shown herein, possibly by material amounts.

A. **Disclosure Statement Enclosures**

Accompanying this Disclosure Statement are:

- A copy of the Plan, together with the Definitions Annex attached thereto (Exhibit A)
- A copy of the Order approving the Disclosure Statement entered [_____], 2010 (Exhibit B);
- An analysis of a hypothetical liquidation of the Debtors under Chapter 7 of the Bankruptcy Code (Exhibit C);
- The Plan Support Agreement substantially in the form of Exhibit D to the FDIC Settlement Agreement pursuant to which the FDIC has agreed to vote for and support the Plan (Exhibit D);
- A Ballot for Holders of Impaired Claims to vote to accept or reject the Plan; and
- The Plan Notice, setting forth: (i) the deadline for casting Ballots either accepting or rejecting the Plan; (ii) the deadline for filing objections to confirmation of the Plan; and (iii) the date, time and location of the Confirmation Hearing.

B. **Overview of the Plan**

The following is a brief overview of the Plan, which is qualified in its entirety by reference to the Plan. The Plan is attached as Exhibit A to this Disclosure Statement.

Under the Plan, a single liquidating trust will be established for the benefit of Creditors of the Debtors, which Plan Trust will succeed to all Assets of the Debtors (including, but not limited to, all Causes of Action). The Plan Trustee will, among other things, liquidate the non-Cash Assets transferred to the Plan Trust (including the prosecution of Causes of Action), reconcile all Claims against the Debtors, make Distributions to Holders of Allowed Claims against the Debtors as provided in the Plan, and otherwise wind down these Chapter 11 Cases and the Debtors' respective Estates.

The Plan designates a series of Classes of Claims and Interests for each Debtor. These Classes take into account the differing nature of the various Claims and Interests, as well as their relative priority under the Bankruptcy Code.

The following Plan Summary Table summarizes the classification and treatment of Claims and Interests under the Plan (including certain unclassified Claims), **THE PLAN**

SUMMARY TABLE IS INTENDED FOR ILLUSTRATIVE PURPOSES ONLY AND DOES NOT ADDRESS ALL ISSUES REGARDING CLASSIFICATION, TREATMENT, AND ULTIMATE RECOVERIES. THE PLAN SUMMARY TABLE IS NOT A SUBSTITUTE FOR A FULL REVIEW OF THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY.

The percentage recovery for each Class set forth in the Plan Summary Table is based on the Debtors' good-faith estimate, based on all information currently known, of (i) the amount of Claims against each Debtor that will ultimately be Allowed[2] and (ii) the amount of Cash that will be available in such Debtor's Estate for Distribution to Holders of Allowed Claims after liquidation of all Plan Trust Assets by the Plan Trustee.[3] The actual amounts of Allowed Claims against each Debtor and Cash available for Distribution to Creditors of the Estates could vary materially from the Debtors' estimates, and the actual percentage recoveries for Creditors will necessarily depend upon the actual amounts of Allowed Claims, Cash realized from the liquidation of non-litigation Assets, Cash realized from prosecuting Causes of Action, and expenses of the Plan Trust.

For the foregoing reasons, no representation can be, or is being, made with respect to whether the percentage recoveries set forth in the Plan Summary Table will be realized by the Holders of Allowed Claims against the Debtor. **THERE IS NO GUARANTEED RECOVERY AND THERE ARE NO GUARANTEED AMOUNTS OF RECOVERY FOR ANY HOLDER OF A CLAIM. THERE WILL BE NO RECOVERY FOR ANY HOLDER OF AN INTEREST.**

In addition, the Plan provides for the establishment of a Cash reserve for Disputed Claims within any particular Class. Interim Distributions of Cash on Allowed Claims of a given Class may be made from time to time, so long as sufficient Cash held in reserve to cover the Disputed Claims of such Class pending allowance or disallowance of such Disputed Claims. As a result, the process of distributing all Cash to be distributed to Holders of Allowed Claims under the Plan will be completed over time.

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[2] Estimated amounts of Allowed Claims do not constitute an admission by the Debtors or any other party as to the validity or amount of any particular Claim. The Debtors, on behalf of themselves, the Plan Trustee, and the Plan Advisory Committee, reserve the right to dispute the validity or amount of any Claim that has not already been Allowed by Order of the Bankruptcy Court or by agreement of the parties.

[3] For purposes of the Plan Summary Table, estimated Cash excludes any recoveries that may be realized by the Plan Trustee from prosecuting Causes of Action.

Plan Classification – TBW Estate:

Summary of Classification and Treatment of Claims and Interests - TBW			
CLASS	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS[4]**	**ESTIMATED % RECOVERY**
n/a	Administrative Expense Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any interest, penalty, or premium	100%
n/a	Priority Tax Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any penalty or premium, (a) in full on the Effective Date, or (b) in equal payments made on or before the last Business Day of every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code	100%
1	Priority Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any penalty or premium, (a) in full on the Effective Date, or (b) in equal payments made on or before the last Business Day of every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code	100%
2	FDIC Secured Claim (AOT Facility)	Treated in accordance with the FDIC Settlement Agreement	Not Yet Determined

[4] The treatment of any Allowed Claim within a Class is subject to any agreement between the Holder of such Allowed Claim and the Debtors (if before the Effective Date) or the Plan Trustee (if after the Effective Date) which provides treatment of such Allowed Claim on terms no less favorable to the Debtors than the treatment provided in the Plan.

Summary of Classification and Treatment of Claims and Interests - TBW			
CLASS	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS[4]**	**ESTIMATED % RECOVERY**
3	FDIC Secured Claim (Overline Facility)	Treated in accordance with the FDIC Settlement Agreement	Not Yet Determined
4	Sovereign Secured Claim (Sovereign Facility)	At the option of the Plan Trustee: (a) payment in Cash up to the Allowed amount of the Sovereign Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) return of all or any portion of the Assets securing the Allowed Sovereign Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Sovereign Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date)	Not Yet Determined
5	Natixis Secured Claim (Natixis Facility)	At the option of the Plan Trustee: (a) payment in Cash up to the Allowed amount of the Natixis Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) return of all or any portion of the Assets securing the Allowed Natixis Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Natixis Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date)	Not Yet Determined
6	Plainfield Secured Claim (Plainfield Term Loan)	At the option of the Plan Trustee: (a) payment in Cash up to the Allowed amount of the Plainfield Secured Claim, after the Assets securing such Claim have	Not Yet Determined

Summary of Classification and Treatment of Claims and Interests - TBW			
CLASS	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS[4]**	**ESTIMATED % RECOVERY**
		been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) return of all or any portion of the Assets securing the Allowed Plainfield Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Plainfield Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date)	
7	Other Secured Claims against TBW	At the option of the Plan Trustee: (a) reinstated in full, leaving unaffected the Holder of such Allowed Other Secured Claim's legal, equitable, and/or contractual rights; (b) payment in Cash up to the amount of such Allowed Other Secured Claim after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all its Liquidation Expenses and paid the Sharing Percentage; (c) return of all or any portion of the Assets securing such Allowed Other Secured Claim; (d) deferred Cash payments having a present value on the Effective Date equal to the amount of such Allowed Other Secured Claim that is not otherwise satisfied on the Effective Date, provided that the Holder of such Claim shall retain its Lien in any Assets securing such Claim; (e) such other treatment as would provide such Holder the indubitable equivalent of its Allowed Other Secured Claim; or (f) such other treatment as may be agreed by such Holder and TBW (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date)	Not Yet Determined
8	Unsecured Claims	Paid a *pro rata* share of the Net Distributable Assets	Not Yet Determined

Summary of Classification and Treatment of Claims and Interests - TBW			
CLASS	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS[4]**	**ESTIMATED % RECOVERY**
9	Trade Claims	Paid a *pro rata* share of the Net Distributable Assets *plus* the Trade Creditor Recovery	Not Yet Determined
10	Subordinated Claims	Holders of such Claims will neither retain nor receive any property on account of such Claims	0%
11	Interests in TBW	Holders of such Interests will neither retain nor receive any property on account of such Interests	0%

Plan Classification – HAM Estate:

Summary of Classification and Treatment of Claims and Interests - HAM			
CLASS(ES)	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS**	**ESTIMATED % RECOVERY**
n/a	Administrative Expense Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any interest, penalty, or premium	100%
n/a	Priority Tax Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any penalty or premium, (a) in full on the Effective Date, or (b) in equal payments made on or before the last Business Day of every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code	100%
1	Priority Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any penalty or premium, (a) in full on the Effective Date, or (b) in equal payments made on or before the last Business Day of	100%

Summary of Classification and Treatment of Claims and Interests - HAM			
CLASS(ES)	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS**	**ESTIMATED % RECOVERY**
		every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code	
2	Other Secured Claims against HAM	At the option of the Plan Trustee: (a) reinstated in full, leaving unaffected the Holder of such Allowed Other Secured Claim's legal, equitable, and/or contractual rights; (b) payment in Cash up to the amount of such Allowed Other Secured Claim after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all its Liquidation Expenses and paid the Sharing Percentage; (c) return of all or any portion of the Assets securing such Allowed Other Secured Claim; (d) deferred Cash payments having a present value on the Effective Date equal to the amount of such Allowed Other Secured Claim that is not otherwise satisfied on the Effective Date, provided that the Holder of such Claim shall retain its Lien in any Assets securing such Claim; (e) such other treatment as would provide such Holder the indubitable equivalent of its Allowed Other Secured Claim; or (f) such other treatment as may be agreed by such Holder and HAM (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date)	Not Yet Determined
3	Unsecured Claims	Paid a *pro rata* share of the Net Distributable Assets	Not Yet Determined
4	Subordinated Claims	Holders of such Claims will neither retain nor receive any property on account of such Claims	0%
5	Interests in HAM	Holders of such Interests will neither retain	0%

Summary of Classification and Treatment of Claims and Interests - HAM			
CLASS(ES)	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS**	**ESTIMATED % RECOVERY**
		nor receive any property on account of such Interests	

Plan Classification – REO Specialists Estate:

Summary of Classification and Treatment of Claims and Interests – REO Specialists			
CLASS(ES)	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS**	**ESTIMATED % RECOVERY**
n/a	Administrative Expense Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any interest, penalty, or premium	100%
n/a	Priority Tax Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any penalty or premium, (a) in full on the Effective Date, or (b) in equal payments made on or before the last Business Day of every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code	100%
1	Priority Claims	Paid in Cash equal to the Allowed amount of such Claim, which shall not include any penalty or premium, (a) in full on the Effective Date, or (b) in equal payments made on or before the last Business Day of every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code	100%

Summary of Classification and Treatment of Claims and Interests – REO Specialists			
CLASS(ES)	**DESCRIPTION**	**TREATMENT OF ALLOWED CLAIMS WITHIN CLASS**	**ESTIMATED % RECOVERY**
2	Other Secured Claims against REO Specialists	At the option of the Plan Trustee: (a) reinstated in full, leaving unaffected the Holder of such Allowed Other Secured Claim's legal, equitable, and/or contractual rights; (b) payment in Cash up to the amount of such Allowed Other Secured Claim after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all its Liquidation Expenses and paid the Sharing Percentage; (c) return of all or any portion of the Assets securing such Allowed Other Secured Claim; (d) deferred Cash payments having a present value on the Effective Date equal to the amount of such Allowed Other Secured Claim that is not otherwise satisfied on the Effective Date, provided that the Holder of such Claim shall retain its Lien in any Assets securing such Claim; (e) such other treatment as would provide such Holder the indubitable equivalent of its Allowed Other Secured Claim; or (f) such other treatment as may be agreed by such Holder and REO Specialists (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date)	Not Yet Determined
3	Unsecured Claims	Paid a *pro rata* share of the Net Distributable Assets	Not Yet Determined
4	Subordinated Claims	Holders of such Claims will neither retain nor receive any property on account of such Claims	0%
5	Interests in REO Specialists	Holders of such Interests will neither retain nor receive any property on account of such Interests	0%

The treatment and Distributions, if any, provided to holders of Allowed Claims and Interests pursuant to the Plan will be in full and complete satisfaction of all legal, equitable, or contractual rights represented by such Allowed Claims and Interests.

C. Recommendation

The Debtors and the Creditors' Committee recommend that all Creditors entitled to vote on the Plan cast their Ballots to accept the Plan. The Debtors believe that Confirmation of the Plan will provide the greatest and earliest possible recoveries to Creditors.

III. ELIGIBILITY TO VOTE

Pursuant to the provisions of the Bankruptcy Code, only classes of Claims or Interests that are Impaired under the Plan may vote to accept or reject the Plan. Generally, a Claim or Interest is Impaired under the Plan if the Holder's legal, equitable or contractual rights are changed under the Plan. In addition, if the Holders of Claims or Interests in an Impaired Class do not receive or retain any property under the Plan on account of such Claims or Interests, such Impaired Class is deemed to have rejected the Plan under § 1126(g) of the Bankruptcy Code, and, therefore, such Holders do not need to vote on the Plan.

A. Holders Entitled to Vote

Below is a chart for each Debtor that identifies which Classes of Claims and Interests are Impaired or Unimpaired. If and to the extent that any Class identified as Unimpaired is determined to be Impaired, such Class will be entitled to vote to accept or reject the Plan.

Classes that are Unimpaired are conclusively presumed to have accepted the Plan and are not entitled to vote to accept or reject the Plan. Holders of Claims in Classes that are Impaired are entitled to vote to accept or reject the Plan.

Holders of Claims and Interests in the Classes that will receive no Distribution or retain no property under the Plan are conclusively presumed to have rejected the Plan and are not entitled to vote to accept or reject the Plan.

CLASS	DESCRIPTION	STATUS
Unclassified Claims Against All Debtors		
n/a	Administrative Expense Claims and Priority Tax Claims (§ (507(a)(8)) against all Debtors	Unimpaired - not entitled to vote

Claims Against TBW		
TBW Class 1	Priority Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired - not entitled to vote
TBW Class 2	FDIC Secured Claim (AOT Facility)	Impaired - entitled to vote
TBW Class 3	FDIC Secured Claim (Overline Facility)	Impaired - entitled to vote
TBW Class 4	Sovereign Secured Claim (Sovereign Facility)	Impaired - entitled to vote
TBW Class 5	Natixis Secured Claim (Natixis Facility)	Impaired - entitled to vote
TBW Class 6	Plainfield Secured Claim (Plainfield Term Loan)	Impaired - entitled to vote
TBW Class 7	Other Secured Claims	Impaired – entitled to vote
TBW Class 8	General Unsecured Claims	Impaired - entitled to vote
TBW Class 9	General Unsecured Claims (Trade Creditors)	Impaired - entitled to vote
TBW Class 10	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4))	Impaired- not entitled to vote
TBW Class 11	Interests	Impaired - not entitled to vote

Claims Against HAM		
HAM Class 1	Priority Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired – not entitled to vote

HAM Class 2	Other Secured Claims	Impaired – entitled to vote
HAM Class 3	General Unsecured Claims	Impaired – entitled to vote
HAM Class 4	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4))	Impaired –not entitled to vote
HAM Class 5	Interests	Impaired – not entitled to vote

Claims Against REO Specialists		
REO Class 1	Priority Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired - not entitled to vote
REO Class 2	Other Secured Claims	Impaired - entitled to vote
REO Class 3	General Unsecured Claims	Impaired - entitled to vote
REO Class 4	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4))	Impaired – not entitled to vote
REO Class 5	Interests	Impaired – not entitled to vote

The record date for determining any Creditor's eligibility to vote on the Plan is [_____], 2010. Only those Creditors entitled to vote on the Plan will receive a Ballot with this Disclosure Statement. The decision to subordinate a claim may be made by the Plan Proponents prior to the time Ballots are distributed, or by the Plan Trustee anytime after the Effective Date.

Creditors whose Claims are subject to a pending objection are not eligible to vote unless such objections are resolved in their favor or, after notice and a hearing pursuant to

Bankruptcy Rule 3018(a), the Bankruptcy Court allows the Claim temporarily or estimates the amount of the Claim for the purpose of voting to accept or reject the Plan. Any Creditor that wants its Claim to be Allowed temporarily or estimated for the purpose of voting must take the steps necessary to arrange an appropriate hearing with the Bankruptcy Court under Bankruptcy Rule 3018(a).

IV. BACKGROUND OF THE DEBTORS AND THESE CHAPTER 11 CASES

A. Debtors' Corporate Structure

1. TBW

The principal Debtor, TBW, is a Florida corporation that was incorporated on May 23, 1991. It is a privately held company, and its major shareholders and their approximate percentage ownership interests are: Lee B. Farkas (79.2%), ESOP (6.1%), and LBF Holdings LLC (14.7%).

2. TBW's Subsidiaries

TBW has twelve (12) direct or indirect subsidiaries. Of those twelve subsidiaries, only Home America Mortgage and REO Specialists are Debtors.

One of TBW's subsidiaries is a bank holding company, Platinum Bancshares. Platinum Bancshares is the sole owner of Platinum Bank, a federally-chartered thrift located in Rolling Meadows, Illinois. Platinum Bank held mortgages, consumer loans, securities, and cash as its primary assets. On September 4, 2009, the FDIC was appointed the receiver of Platinum Bank by order of the Office of Thrift Supervision.

B. Overview of the Debtors' Businesses

1. TBW

Prior to the Petition Date, TBW was the largest independent (*i.e.* non-depository owned) mortgage lender in the United States. TBW operated three primary lines of business: a mortgage loan origination business, a mortgage loan sales business, and a mortgage loan servicing business. It also entered into a variety of transactions to obtain financing and/or operating capital. A full picture of TBW's operations requires an understanding of its business lines, how it acquired capital to operate, and how it responded when financing and/or capital became increasingly difficult to obtain as the housing market declined, consumer defaults rose, and the credit markets tightened.

TBW's primary businesses were comprised of the following operations:

- Origination, underwriting, processing, and funding of conforming and non-conforming[5] conventional and government-insured residential mortgage loans;

- Sales of mortgage loans into the "secondary market" (i) to government-sponsored enterprises such as Freddie Mac, (ii) to non-affiliated securitization conduits sponsored by banks, such as Credit Suisse or BNP Paribas, that issued securities, some of which were guaranteed by Ginnie Mae, and (iii) to banks and other third-party investors; and

- Mortgage payment processing and loan servicing;

In addition to its primary business lines, TBW engaged in the following ancillary lines of business:

- Hedging its exposure on the mortgage loans it owned to mitigate interest rate and price volatility risks;

- Ancillary business loans made by TBW described in Section IV.C.5 below[6]; and

- Ownership of a bank holding company, Platinum Bancshares.

2. Home America Mortgage

Prior to the date it filed its Chapter 11 Case, Home America Mortgage was in the business of originating mortgage loans, which loans it subsequently assigned to TBW. Home America Mortgage was incorporated in Florida in 2002. Prior to January 1, 2009, J. Gregory Hicks (referred to herein as "Hicks") was its majority shareholder, holding ninety percent (90%) of its outstanding stock, with the remaining ten percent (10%) being held by TBW. Home America Mortgage's corporate headquarters was based in Lawrenceville, Georgia, and it operated retail mortgage origination branch offices throughout the southeastern United States. TBW entered into a stock purchase agreement effective as of January 1, 2009 pursuant to which TBW acquired the outstanding stock in the company held by Hicks. Under the terms of the stock purchase agreement, TBW paid $2,987,000 in Cash, a million of which was held back pending resolution of outstanding tax obligations; $9 million of the purchase price was paid through satisfaction of a $9 million promissory note payable from Hicks to TBW; and $9 million of the purchase price was paid in the form of an unsecured, non-negotiable subordinated promissory

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[5] Conforming loans are loans that meet the normal Freddie Mac or Ginnie Mae guidelines. Non-conforming loans are all other loans, which include Alt-A loans, jumbo loans, second-lien mortgage loans and subprime loans.

[6] These are the loans to Jumbolair, U.S. Racing, LLC, which owns Ocala Speedway, and over $70 million in loans and advances to various entities owned or controlled by Lee Farkas, former board members of TBW, or their associates. See generally, Section IV.C.5 titled Ancillary Business Loans.

note from TBW to Hicks payable over a seven year period. Hicks received other consideration as part of the transaction, including Home America Mortgage's then unpaid prior year's tax refund, certain notes and accounts receivable for over $3.4 million payable to the company from Hicks and certain of his affiliated companies, and certain furniture and equipment. Also as part of the transaction, TBW paid off the mortgage of approximately $1 million on Home America Mortgage's corporate headquarters, and former shareholders of a predecessor entity to Home America Mortgage, Gary Garrett and Tim Parker, received notes payable by TBW in the total amount of $2,080,000 in exchange for releases by the former shareholders from any and all Claims that the former shareholders had against TBW and Home America Mortgage. Subsequent to the closing, the majority of Home America Mortgage's business operations and employees were transferred to Platinum Bank.

Subsequent to filing its bankruptcy petition, Debtor/HAM rejected its real property leases and equipment leases and has had no meaningful post-petition operations. Debtor/HAM's primary asset is an office building and associated land in Lawrenceville, Georgia, associated with its corporate headquarters, which has an estimated value of $1-2 million.[7] Debtor/HAM had minimal Cash on hand at the Petition Date, and presently has approximately $112,000 Cash on hand.

3. REO Specialists

REO Specialists, which operated out of TBW's corporate headquarters, was responsible for the preservation and disposition of the extensive REO portfolio held by TBW for its own account and for the benefit of others. Debtor/REO's primary asset is a deposit account that, as of November 25, 2009 when it filed its bankruptcy petition, had a balance of $566,945.68

C. TBW's Primary Business Segments

1. Loan Origination

TBW provided mortgage financing to individual borrowers throughout the United States. In doing so, TBW utilized not only its own staff of brokers located in TBW offices nationwide, but also its large network of independent mortgage brokers and community banks. TBW's ultimate objective was to sell these mortgage loans to "investors," including government-sponsored enterprises (*e.g.,* Freddie Mac) and various financial institutions, and retain the right to service the mortgages for the purchasing investor.

TBW made or purchased loans made primarily to borrowers with good credit profiles and also made a limited number of subprime loans. Nearly all of the mortgage loans TBW made or purchased were residential loans secured by one-to-four-family residences. TBW's primary goal in making a decision whether to extend a loan was whether that loan conformed to the expectations and underwriting standards of the secondary mortgage market. Because TBW intended to sell the mortgage loans it originated, its underwriting guidelines generally conformed

[7] Under the circumstances, the fair market value of the office building is uncertain.

to the guidelines established by the ultimate investors. In effect, the investors' guidelines became the underwriting guidelines used by TBW. Typically, these standards focused on a potential borrower's credit history (often as summarized by credit scores), income and stability of income, liquid assets and net worth, and the value and the condition of the property securing the loan.

Generally, once a loan was approved, TBW financed the loan it originated or purchased with funds obtained through mortgage warehouse lines, revolving lines of credit, participation facilities and the Ocala Funding Facility. Section IV.D of this Disclosure Statement contains a discussion of these facilities. Loans financed, "sold" or participated under these facilities were then typically sold by TBW within 60 days or less to third-party purchasers. Loans that TBW could not sell, or had to repurchase under these facilities, were held as long-term investments or, if the borrower under the mortgage loan defaulted, were foreclosed and turned into REO. TBW sold REO in the ordinary course of its business.

In the five years prior to the commencement of its bankruptcy case, TBW experienced tremendous growth in the number of loans it originated. For calendar year 2004, TBW originated or purchased a total of 59,129 loans representing a UPB in excess of $9.5 billion. By calendar year 2008 that annual production volume had increased to 184,227 loans with a UPB in excess of $32.3 billion.

The chart below summarizes the growth in TBW's production from 2004 through 2008:

Year	2004	2005	2006	2007	2008
Loan Count	59,129	93,375	139,148	195,226	184,227
Dollars	$9,516,878,000	$17,358,993,000	$23,501,086,000	$33,727,081,000	$32,332,121,000

As of the beginning of 2009, TBW was originating approximately 14,500 new loans every month (this amount, if annualized, would equal 174,000 new loans), representing in excess of $2.7 billion in monthly production.

2. Loan Sales

TBW's business model was based on the premise that the mortgage loans it originated or purchased would be sold within days or weeks of origination. Funding the capital to originate or purchase any loan was, in some instances, tied to TBW having obtained, as of the date of origination or purchase, a commitment from a "take-out investor" to purchase the mortgage loan. In sum, the mortgage loan sale process at TBW generally worked as follows: TBW assimilated pools of loans for sale to investors, which were, most often, to be used to support mortgage-backed securities. As part of the sales process, the loan pools were assigned to specific "trades" at the time that the sales contract was entered into – *i.e.*, the loans were allocated to a specific issue of mortgage-backed securities. Purchase proceeds were not paid to TBW until the trade to which the pools were assigned "settled" – *i.e.*, the securities were issued and sold.

In general, TBW sold agency-eligible mortgage loans whether originated by TBW or purchased from another originator, by one of the following methods. Conforming loans eligible for sale to Freddie Mac were either aggregated into pools that were exchanged for mortgage-backed securities, or individual loans were sold to Freddie Mac for cash through the Freddie Mac "cash window." FHA mortgage loans and VA mortgage loans originated by TBW were generally pooled and sold either in the form of Ginnie Mae mortgage-backed securities issued by TBW or on an assignment-of-trade basis to other approved Ginnie Mae sellers. Freddie Mac and Ginnie Mae securities collateralized by eligible loans were then sold to approved broker-dealers. Historically, a majority of TBW's mortgage loans qualified under various Freddie Mac and Ginnie Mae program guidelines, which include specific property and credit standards, including a loan size limit.[8]

Loans not eligible to serve as collateral for Freddie Mac or Ginnie Mae securities – *e.g.*, jumbo loans, certain types of reduced documentation (or Alt-A loans), certain types of second-lien loans, subprime loans and other loans – were sold through a variety of channels. As discussed in more detail below, TBW's primary mode of selling non-conforming loans was through private-label securitizations.[9] For other types of non-eligible collateral, TBW sold the loans on a whole loan basis (either individually or in bulk). Buyers of non-Freddie Mac and non-Ginnie Mae eligible loans and securities included large depository financial institutions, large mortgage banks, securities dealers, real estate investment trusts, hedge funds and other institutional loan buyers. These types of loan sales generally were consummated within 60 to 90 days of loan origination. TBW typically retained the servicing rights relating to loans that it originated, but on occasion TBW sold loans along with their servicing rights, and on occasion sold servicing rights in bulk.

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[8] Until April 2002, TBW was an "approved seller" with each of Freddie Mac, Ginnie Mae and Fannie Mae. In April 2002, Fannie Mae terminated the status of TBW as an "approved seller." The termination occurred after Fannie Mae expressed to TBW its concerns regarding its growth rate and operational problems that adversely affected the accuracy of data regarding mortgage loans provided by TBW and the conformity of mortgage loans originated by TBW with Fannie Mae's Guidelines. In connection with the termination of its approved seller status, Fannie Mae also required TBW to sell its portfolio of servicing rights for mortgage loans owned by Fannie Mae.

[9] In a securitization structure, the mortgage loan is sold by TBW to a special purpose entity, generally wholly-owned by TBW, that is engaged principally in the business of purchasing loans from TBW for that particular sale facility. The special purpose entity obtains the Cash to purchase the mortgage loans from advances made by investors to the special purpose entity. The debt owed to the investors is evidenced either by promissory notes, certificates, or undivided interests in the mortgage notes purchased. The securitization structure is either 1) a one-tier securitization (in which only one special purpose entity is created, and that entity purchases the loans from TBW and issues the debt), or 2) a two-tier securitization (in which a second special purpose entity is created to purchase the mortgage loans from the first special purpose entity, and that second special purpose entity issues the debt). In either a one-tier or two-tier securitization, the mortgage loans are pledged by the special purpose entity that owns and holds title to the loans to the trustee or agent for the investors that hold the debt, to secure the advances made by the investors to the special purpose entity. At the time of each sale of mortgage loans by TBW to a special purpose entity, TBW makes certain representations and warranties regarding the characteristics of the mortgage loans, and the right to enforce those representations and warranties typically are enforced by the trustee or agent for the investors. TBW or its affiliate is also typically engaged to service the mortgage loans for the special purpose entity that owns the loans and issues the debt to the investors.

TBW's loan sales were governed by agreements with the mortgage investors. These agreements established an ongoing program under which investors purchased or securitized certain loans, as long as the loans offered for sale met agreed-upon underwriting standards. In the case of conventional loans (*i.e.,* a mortgage loan that is not guaranteed or insured by the federal government), TBW was generally at risk for any mortgage loan default until the loan was sold, subject to the obligations of any primary mortgage insurer. Once the loan was sold, the risk of loss from default and foreclosure generally passed to the purchaser or insurer of the loan.

In the case of FHA and VA loans, TBW generally was required to request insurance or a guarantee certificate within 60 days of loan closing, and the loan had to be current at the time of the request. Once the insurance or the guarantee certificate was issued, the insurance or guarantee generally was available for claims against foreclosure and related losses as a result of a borrower default. Certain losses related to foreclosures and similar procedures in connection with FHA mortgage loans were not covered by FHA insurance, nor were losses that exceeded the VA's guarantee limitations. Additionally, FHA could request indemnification from TBW for its failure to comply with applicable guidelines in the origination or servicing of loans and could curtail insurance claim payments based on failures to comply with FHA's claims guidelines. Likewise, the VA could reduce guarantee payments based on failures to comply with VA requirements, and in certain cases the VA would deny any liability under a guaranty.

Typically, TBW sold loans on a limited recourse basis in order to reduce exposure to default risk, except that pursuant to the underlying purchase agreements, TBW generally committed to repurchase or substitute a loan if (i) a payment default occurred early in the life of the loan (referred to as an Early Payment Default or EPD), or (ii) TBW breached its representations and warranties regarding the loan. In connection with its loan sales to investors, TBW made representations and warranties customary in the industry relating to, among other things, compliance with laws, regulations, certain program standards and the accuracy of information contained in the loan file. In the event of a breach of these representations and warranties, TBW could become liable to the purchasing investor for certain damages and losses or could be obligated to repurchase the subject loans and bear any potential related loss on the disposition of those loans.

As previously indicated, TBW's primary method of selling non-conforming loans was through private label securitizations. At the Petition Date, the principal private label securitizations were (a) the Bayview/U.S. Bank Securitizations and (b) the securitizations in which various investors purchased loans, and for which Wells Fargo was the master servicer and U.S. Bank the indenture trustee. These facilities are summarized below.

a. Bayview/U.S. Bank

TBW and Bayview entered into several securitization transactions from 2003 to 2007. TBW sold mortgage loans to a special purpose vehicle, either Magnolia Funding, Magnolia Funding II, or TBW Funding II. That entity then sold the loans to a special purpose trust for which U.S. Bank is the current trustee. The trusts issued Class A Notes, and Class B Certificates or Residual Interest Certificates. Bayview Financial Trading Group, L.P. (referred to as

Bayview in this Disclosure Statement) is the sole holder of the Class A Notes and TBW or its subsidiaries are the holders of the Class B Certificates or Residual Interest Certificates.

b. Various Investors

At the Petition Date, TBW was a party to 12 securitizations for which BNP Paribas, Credit Suisse, Lehman Brothers or UBS or an affiliate were the underwriters. Wells Fargo served as the master servicer and U.S. Bank served as the indenture trustee for each of these securitizations.[10]

These securitization vehicles were designed to qualify as real estate mortgage investment conduits within the meaning of the Internal Revenue Code (referred to as REMICs). The REMICs that qualified as a master REMIC issued certificates reflecting ownership interests in the master REMIC, ranging in type from senior certificates to mezzanine certificates to residual interest certificates. The certificates issued to the investors are pass-through trust certificates. The master REMICs own subsidiary REMICs, which hold as an asset title to the mortgage loans purchased by the depositor from TBW.

These securitizations were generally structured as follows. TBW sold mortgage loans to a special purpose entity that was not owned or controlled by TBW, each of which is called a depositor. The depositor then sold, under a pooling and servicing agreement, to the trustee for the benefit of the certificate holders, pools of mortgage loans. U.S. Bank National Association is the trustee for each of the trusts, and Wells Fargo is the master servicer. TBW was the subservicer, appointed by the master servicer under a separate servicing agreement.

Shortly before the Petition Date, Wells Fargo sent letters alleging that TBW was being terminated as sub-servicer for the trusts. TBW disputed the effectiveness of the attempts to terminate TBW as servicer. On or about October 7, 2009, the Debtor and Wells Fargo (in its capacity as master servicer) filed a stipulation that was approved by the Bankruptcy Court on October 15, 2009, which provided for servicing to be transferred to Wells Fargo or to a sub-servicer of Wells Fargo, in either case as successor servicer, and provided for accelerated

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[10] Investments in these securitization transactions were evidenced by the following mortgage-backed pass-through trust certificates:

1. TBW Mortgage Pass-Through Certificates, Series 2006-1;
2. TBW Mortgage Pass-Through Certificates, Series 2006-2;
3. TBW Mortgage Pass-Through Certificates, Series 2006-3;
4. TBW Mortgage Pass-Through Certificates, Series 2006-4;
5. TBW Mortgage Pass-Through Certificates, Series 2006-5;
6. TBW Mortgage Pass-Through Certificates, Series 2006-6;
7. TBW Mortgage Pass-Through Certificates, Series 2007-1;
8. TBW Mortgage Pass-Through Certificates, Series 2007-2;
9. CSMC Mortgage-Backed Pass-Through Certificates, Series 2007-1;
10. CSMC Mortgage-Backed Pass-Through Certificates, Series 2007-4;
11. CSMC Mortgage-Backed Pass-Through Certificates, Series 2007-6; and
12. CSMC Mortgage-Backed Pass-Through Certificates, Series 2007-7.

reimbursement of Advances to the Debtor in an amount up to $1.3 million, and otherwise maintained the status quo and reserved all rights among the parties [Docket # 456].

In addition, TBW typically held residual interests in certain of these securitizations. To the extent the residual interests had value, they were sold in the MBS Sale held during these Chapter 11 Cases.

3. Loan Servicing

TBW's substantial loan servicing operations were conducted from its Central Document Facility in Ocala, Florida and a back-up servicing center in Cincinnati, Ohio. As the volume of TBW's loan production increased, the number of loans TBW was servicing grew as well. At the end of calendar year 2004, TBW was servicing 73,345 loans with an outstanding principal balance in excess of $10.5 billion. By August of 2009, TBW's servicing portfolio had grown to in excess of 512,000 loans (primarily first-lien, fixed-rate mortgages) having an aggregate UPB totaling in excess of $80 billion. These mortgages were for the most part ultimately owned by various investors. The primary investors, constituting in excess of 90% of the total UPB, were Freddie Mac and investors that bought securities that were guaranteed by Ginnie Mae. There were also loans serviced by TBW (roughly 5% of total UPB) that were owned by "private label" securitization trusts for which Wells Fargo and U.S. Bank served as master servicer and trustee respectively. TBW also serviced mortgages for its own portfolio and those of related entities such as Platinum Bank, and serviced mortgage loans that were outstanding on various warehouse lines or participation facilities. By early August of 2009, TBW had over 590 employees in its servicing department.

The terms under which TBW serviced mortgage loans were designed and implemented to monitor and enforce the borrowers' obligations to repay each mortgage loan in accordance with its terms. TBW's servicing business collected mortgage payments, administered tax and insurance escrows, responded to borrower inquiries and enabled TBW to maintain control over the collection and default mitigation processes. The loan servicing business also provided TBW with cash flow, but required a significant amount of operating capital and sometimes involved long time periods of capital outlay. Further, as a result of the economic downturn in the residential marketplace, the servicing component of TBW's business caused TBW to sustain significant losses.

TBW's principal banking relationship was with Colonial Bank (referred to herein as Colonial). In addition to maintaining operating accounts at Colonial, TBW maintained over 100 accounts at Colonial related to its mortgage servicing operations and the disbursement of mortgage payments on behalf of borrowers and investors.

In general, borrowers made mortgage payments to TBW in one of the following ways:

- By check delivered directly to TBW;
- By check delivered to lock boxes maintained by TBW as servicer or by the purchaser of the loan or a participation interest in the loan;

- By ACH transfer (*i.e.*, electronic draft/transfer) from the borrower's bank account into TBW's Custodial Funds Clearing Account located at Colonial;

- By bank-by-phone payment; and

- By Internet banking whereby customers authorize TBW to draft funds from their accounts to the Colonial Bank Clearing Account at Colonial by bank-by-phone payment.

The vast majority of borrower payments were initially deposited into a single Custodial Funds Clearing Account. As payments were received and deposited into the Custodial Funds Clearing Account, they were recorded in TBW's servicing system. Each day, the prior day's deposits, if recorded in the servicing system, were "pushed down" (*i.e.*, transferred) from the Custodial Funds Clearing Account to various custodial accounts commonly referred to as "P&I" (Principal and Interest) and "T&I" (Taxes and Insurance) accounts maintained on behalf of the various investors. Borrower payments were allocated among the investor P&I and T&I accounts using information maintained and administered in TBW's servicing system. TBW's compensation, in the form of servicing fees, was also paid from the Custodial Funds Clearing Account.

P&I payments were disbursed to investors each month, net of any servicing fees earned by TBW. With the exception of Freddie Mac, investors received P&I payments mid-month (usually on or about the 18th) for monthly mortgage payments and unscheduled payments (*e.g.*, loan pay offs) received in the prior month. Freddie Mac, TBW's largest investor, had two programs known as ARC and Gold. For the ARC program, P&I payments were transmitted to Freddie Mac in the early part of the month (usually the 6th). For the Gold program, P&I payments were transmitted mid-month (usually the 18th). Other unscheduled payments were transmitted to Freddie Mac on a daily basis. The insurance and tax portions of mortgage payments were to be paid into an escrow distribution account and paid to the insurers and taxing authorities.

Virtually all of TBW's servicing arrangements required that "scheduled/scheduled" payments be made to investors.[11] In other words, TBW, as servicer, was required to make P&I payments to investors in an amount equal to the amount that should have been received from all borrowers as if they had made payment on a timely basis. The result was that TBW was required to fund (*i.e.*, "advance") the payment of principal and interest due on mortgages for which borrowers failed to make timely payment. Similarly, TBW made tax and insurance advances for mortgages for which insufficient "escrow" balances were on hand at the time that tax and insurance premium payments were due. In general, for mortgage loans that were in default, TBW made these Servicing Advances until the time that a foreclosure was completed, which in many states was a number of months after the first missed payment by the borrower. As servicer, TBW also managed the foreclosure process and incurred Corporate Advances for

[11] The Freddie Mac ARC program required "scheduled/scheduled" payments. The Gold program was a "scheduled/actual" program, which required TBW to advance scheduled interest amounts, but not principal.

foreclosure-related expenses and the costs of maintaining and disposing of the property once the foreclosure was completed. Because TBW was obligated to make these Servicing Advances and Corporate Advances, TBW's servicing business required a large amount of cash to fund the servicing operation. Although TBW had rights to recoup those amounts later, when the credit markets declined and defaults spiked, TBW's servicing business became a drag on the company. Ultimately, the Servicing Advances and the Corporate Advances were recovered or should have been recovered by TBW from the following: (i) payments received from borrowers (for which advances were made); (ii) the proceeds of the sale of foreclosed houses or the proceeds from short sales; or (iii) claim reimbursements from the investors or HUD for insured loans. As of the filing of the Reconciliation Report, the cumulative balance of the Debtor's unreimbursed Servicing Advances and unpaid Servicing Fees was $263,993,800. Certain investors have asserted that some or all of these types of Claims are not recoverable in the amounts asserted by the Debtor.

4. Hedging Activities

TBW hedged interest rate risk and price volatility on its mortgage loan interest rate lock commitments and mortgage loans during the time it committed to acquire or originate mortgages at a pre-determined rate until the time it sold or securitized mortgages. TBW also hedged interest rate risk associated with funding their portfolio of mortgage loans and mortgage-backed securities. To reduce the sensitivity of earnings to interest rate and market value fluctuations, TBW hedged the risk of changes in the fair value of mortgage servicing rights. Also, to mitigate interest rate and price volatility risks, TBW entered into certain hedging transactions. The nature and quantity of TBW's hedging transactions were determined based on various factors, including market conditions and the expected volume of mortgage acquisitions and originations.

5. Ancillary Business Loans

In addition to its traditional residential mortgage lending business, TBW also made loans ancillary to its mortgage operations. For instance, during the course of TBW's history Lee Farkas, the company's majority shareholder and Chairman, took personal loans or withdrew amounts in excess of $50 million from TBW as advances/loans for himself or for companies he owns and controls. Additionally, TBW made commercial loans in and around the Ocala, Florida area to businesses not owned or controlled by Farkas. Included among these loans is a loan made to U.S. Racing, LLC, a company that operates a race track in Ocala. The loan is evidenced by, among other things, that certain Renewal and Consolidation Note dated December 31, 2007 in the total principal sum of $2,026,968.85, a mortgage encumbering the real estate and improvements upon which the track operates, and the personal guaranties from the members of the borrower.

Additionally, TBW loaned $7,360,000 to Jumbolair, Inc., the operator of an airport and luxury fly-in residential community in the Ocala area. The loan to Jumbolair, Inc. is evidenced by, among other documents, that certain Consolidation Line of Credit Note for Business and Commercial Loans dated August 28, 2008 in the face amount of $7,360,000. The loan has matured, and the borrower is in default of its obligations under the note for, among other reasons, its failure to make interest payments since January of 2009. The loan to Jumbolair, Inc. is

secured by a mortgage on certain real estate commonly referred to as Jumbolair Estates consisting of undeveloped phases and developed and unsold lots within the subdivision. The mortgage also encumbers the runway/airstrip and certain common areas and facilities within the development. The loan is also secured by personal guaranties from certain shareholders of Jumbolair, Inc.

In June of 2008 TBW also made a loan of $1,650,000 to GF Restaurants of Marion, LLC, a company owned and controlled by Sean Murla and Danny Gaekwad, a former board member of TBW. The loan is currently in default and is secured by an unimproved piece of real property in Ocala, Florida.

The Debtor's books and records also show receivables from a number of subsidiaries or affiliates wholly or partially owned by TBW: $900,509.52 due from wholly-owned subsidiary REO Specialists, LLC; $26,466.51 due from wholly-owned subsidiary Complete Mortgage Solutions LLC; $1,491,525.01 due from wholly-owned subsidiary Maslow Insurance Agency, LLC; $4,284,746.38 due from wholly-owned subsidiary HMC-Home Mortgages Co.; $631,788.66 due from CDF Tax, Flood & Insurance Services, LLC; $841,960.23 due from SecurityOne Valuation Services, LLC of which TBW is a 50% owner; $3,357,278.05 due from 24/7 Call Capture LLC of which TBW is a 20% owner; and $216,770.45 due from HomesFindMe, LLC of which TBW is a 34% owner.

6. Platinum Bank

In July of 2008, TBW acquired a controlling interest in Platinum Bancshares, Inc., the holding company of Platinum Community Bank ("Platinum Bank"), a federally-charted thrift based in Rolling Meadows, Illinois. In accordance with the terms of the Common Stock Purchase Agreement by and between Platinum Bancshares, Inc. and TBW dated December 18, 2007, and after approval of the transaction by the Office of Thrift Supervision, TBW initially acquired 4,378,008 shares of common stock of Platinum Bancshares, Inc. (representing 75% of its outstanding stock) for the purchase price of $10 million. From January 31, 2009 to June 30, 2009, TBW contributed an additional $30 million in capital to Platinum Bancshares, increasing its overall ownership percentage to 92.7 %.[12]

After acquiring the Bank, TBW sought to expand the bank as a retail mortgage origination platform. Platinum Bank opened a branch office in the same building as TBW's Ocala corporate headquarters and opened mortgage origination offices in other locations as well. On September 4, 2009, following TBW's shutdown, Platinum Bank was seized by the Office of Thrift Supervision, and the FDIC was appointed as receiver for the bank. In its order appointing the FDIC as receiver, the OTS noted that as of June 30, 2009, Platinum Bank reported approximately $147.96 million in assets and $112.38 million in liabilities. As a contributing cause for the appointment of a receiver, the OTS noted that Platinum Bank obtained $210 million

[12] Additionally, on July 28, 2009, immediately prior to TBW's shutdown, an additional contribution of $3,669,883.65 was transferred to Platinum Bancshares for a capital contribution, but on information and belief, the capital contribution was rejected by Platinum Bank's board of directors. The additional capital contribution has not been returned to TBW.

in escrow deposits from Freddie Mac, which deposits related to TBW's servicing of Freddie Mac loans. With these escrow deposits, according to the OTS order, the bank rapidly doubled its asset size by using most of those escrows for various purposes which are still being explored by the Debtor. On September 1, 2009, according to the OTS order, Freddie Mac demanded repayment of the $210 million by September 8, 2009. Because Platinum Bank did not have sufficient liquidity to repay the escrow deposits as demanded, the OTS concluded that sufficient grounds for the appointment of a receiver existed under applicable law.

D. Principal Financing Transactions and Indebtedness

TBW entered into a myriad of financing transactions to finance its business. At the time TBW filed its Chapter 11 case, the primary means of funding its mortgage origination business included a number of participation facilities, the Ocala Funding Facility, and other traditional warehouse lines of credit. Additionally, TBW funded its servicing operations through working capital lines of credit allegedly secured by TBW's mortgage servicing rights under certain servicing contracts to which TBW is a party. Each of these facilities is discussed below.

1. Loan Participation Facilities

A key component of TBW's financing was its longstanding relationship with Colonial. Dating back to 1999, Colonial served as one of TBW's primary sources for loan funding through a number of different facilities. Starting in 2002, Colonial began providing TBW funding options through various participation facilities, including the COLB Facility and the AOT Facility. Under the terms of these facilities, TBW sold or should have sold to Colonial a participation interest (usually 99%) in mortgage loans until the loans were sold to mortgage investors or allocated to a particular mortgage security for which other financing was available.

a. COLB

The COLB Facility in which Colonial was the sole participant was the most significant COLB transaction.[13] Under the COLB Facility between TBW and Colonial, TBW sold to Colonial a specified participation interest in mortgage loans. Under the COLB Documents, TBW was obligated to repurchase the participation interests only in quite limited circumstances, principally for breach of a representation or warranty. TBW granted to Colonial a security interest in the mortgage loans and related collateral in the event the transaction was deemed a financing and not a true sale.

In day-to-day operations, the COLB Facility was intended to be a true sale of the participation interests (or a "true participation"), and operated, for the most part, like a true participation. Colonial, as buyer, would purchase a participation interest in the percent specified in the applicable participation certificate of TBW's ownership rights in and to the participated mortgage loans and indebtedness, related loan documents, the end investor commitment, all

[13] TBW was also a party to a smaller COLB participation facility for which Colonial was agent, referred to as the COLB/Seaside Bank Facility.

escrow and reserve accounts and funds held on deposit therein and all other documents and instruments, evidencing, securing or otherwise relating to the participated mortgage loans.

The participation could be bought when the loan was "*wet*" (the original loan documents had not been delivered to the custodian) or "*dry*" (the original loan documents had been delivered to the custodian, except that the original mortgage may not have been returned from the real property recording office). Colonial paid the participation purchase price to the closing agent if the loan was wet. If the loan was dry when Colonial bought its interest, it paid the purchase price to TBW (if TBW originated the loan) or to an applicable warehouse lender (if the loan was originated by a correspondent and bought by TBW). The sale to the take-out investor typically occurred anywhere from 2 days to 4 weeks after purchase of the participation. Importantly, at the time TBW ceased operations, the COLB Facility was TBW's only source of wet funding for its loan origination business.

The preceding description of the COLB Facility summarizes the COLB Documents. There are disputes as to how the COLB Facility actually operated and was managed, but the Debtors have settled those disputes in the FDIC Settlement Agreement. Colonial's perfection in the COLB Loans was also challenged by the Plan Proponents. All perfection issues raised by the Plan Proponents regarding the COLB Facility were also settled in the FDIC Settlement Agreement. See discussion of the FDIC Settlement Agreement in Section V of this Disclosure Statement.

b. AOT

TBW and Colonial also entered into assignment of trade (commonly referred to as AOT) participation facilities. Under these facilities, Colonial, on its own behalf or as agent for other banks, would purchase participation interests in trades held by TBW with respect to agency securities (both Freddie Mac and Ginnie Mae) and securities issued by private label issuers. In practice, once TBW allocated a loan to an agency or private label securitization, a loan that was previously funded on the COLB Facility (or other facilities) was sometimes moved to the AOT until the ultimate settlement of the underlying trade.

TBW was a party to three different AOT participation facilities. In two of those facilities, the AOT/Cole Taylor Facility and the AOT/USAmeriBank Facility, Colonial purchased participation interests in its capacity as agent for another bank. However, by far the largest AOT participation facility was the facility in which Colonial purchased participations for its own account (referred to herein as the AOT Facility). There was a great deal of discrepancy between the way the AOT Facility was to operate as outlined in the AOT Documents, and the way the AOT Facility in practice operated. There were also disputes regarding the FDIC's perfection in the mortgage loans "assigned to the AOT." The Plan Proponents and the FDIC resolved all disputes regarding the AOT Facility and perfection in the AOT Loans as related collateral in the FDIC Settlement Agreement.

(i) Structure of facility as set forth in the AOT Documents:

TBW's AOT Facility with Colonial is evidenced by the AOT Documents. For transactions where the take-out buyers are Freddie Mac or beneficiaries of a Ginnie Mae guaranty, the AOT Documents for agency securities applied. Where the take-out buyer purchased a pool of mortgage loans or securities issued by a private, non-government-backed issuer, the AOT Documents for whole loan trades and private issuer securities applied.

The AOT Documents provided that Colonial would purchase a 99% participation in a pool of eligible mortgage loans from TBW in a transaction that was intended to be a true sale. The AOT Documents provided that a sale of a participation under the AOT Facility was the sale of an undivided 99% beneficial ownership interest in the note, mortgage, related loan documents and files, and all proceeds thereof. At the time of the sale, TBW also assigned to Colonial all of its rights under a forward trade, which is a commitment from a buyer (a take-out buyer or take-out investor) to purchase the pool of mortgage loans being participated, or securities backed by the pool of mortgage loans being participated, within a specified time period at a specified price, usually within 30 days. Thus, the advance made by Colonial financed TBW's origination of the mortgage loan and provided a type of operating capital for TBW. TBW also earned fee income by servicing the loans during the period from the sale of the participation to the closing of the sale to the take-out buyer.

If the take-out buyer purchased securities backed by the pool of mortgage loans being participated to Colonial, a clearing agent (The Bank of New York Trust Company) acted as the clearing house to close the forward trade. Under a clearing and custodial agreement, the clearing agent would accept funds from the take-out buyer, accept the securities from the issuer, and accept delivery of the pool of mortgage loans from TBW. At the closing, TBW received the funds from the take-out buyer, the take-out buyer received the securities, and the issuer of the securities received the loans and loan files. The clearing agent acted as custodian for the various parties for purposes of facilitating the closing.

(ii) In practice, AOT operated as a financing:

The AOT Facility was structured as a true sale of a participation interest in pools of mortgage loans, although in practice it operated as a financing. TBW obtained advances from Colonial based upon the "assignment" of the AOT Facility mortgage loans owned by TBW to. Contrary to the requirements of the AOT Documents, (a) participation certificates were not issued to evidence the participation interest, (b) TBW paid interest and principal payments to Colonial based upon the amount advanced under the AOT Facility and not based on payments received from borrowers on the mortgages assigned to the AOT, and (c) TBW retained, and did not forward to Colonial, 99% of the principal and interest payments made by borrowers. Thus, in practice, the facility operated not as a sale transaction, but as a loan facility.

As more fully set forth in the Reconciliation Report, the manner by which TBW utilized the AOT Facility led to increasing problems by the Petition Date. For example, among other issues, as of the Petition Date, there were 124 pools of loans assigned to the AOT Facility with a purported cumulative balance of $1,473,868,368. None of these "trades" was an actual, pending

transaction, and 112 were "duplicative" of actual trades assigned to another Bank of America financing facility (wholly unrelated to Ocala Funding). Thus, there appears to be no value in the 124 trades assigned to the AOT Facility.

While the amounts have not been quantified precisely, the Reconciliation confirms that since June 30, 2008, hundreds of millions of dollars in proceeds from the AOT Facility (as well as proceeds of loan sales by Ocala Funding) were used to pay Servicing Advances and loan repurchases, pay off worthless trades assigned to the AOT Facility, and fund other aspects of TBW's business operations. These uses were inconsistent with the AOT Documents.

Collectively, the COLB Facility and the AOT Facility provided TBW with funding capacity through Colonial in excess of $3 billion for the origination, purchase and ultimate sale of loans.

c. Early Purchase Facility

In addition to the Colonial participation facilities, a few months before the Petition Date, Bank of America provided a participation facility to TBW pursuant to a Mortgage Loan Participation Purchase and Sale Agreement dated March 31, 2009 between TBW, as Seller, and Bank of America, as Purchaser, commonly referred to as the "Early Purchase Facility." This facility was another type of participation facility that was established to provide capital for TBW to originate or acquire qualifying mortgage loans, until TBW sold the loans to a Ginnie Mae securitization conduit. The Early Purchase Facility initially provided funding for up to $500 million and was expanded in May of 2009 to provide for funding of up to $1 billion.

The Early Purchase Facility worked as follows. Initially, TBW sold to Bank of America 100% of TBW's beneficial interest in pools of eligible mortgage loans, all related servicing rights, and all rights under a commitment letter issued to TBW from a takeout investor (committing to purchase a Ginnie Mae security backed by the mortgage loan pool on a specified trade date at a specified price.) Each sale was to be evidenced by a participation certificate and was intended to constitute a true sale of a participation interest. TBW sold pools of mortgage loans (that had been participated to Bank of America) to a Ginnie Mae-sponsored special purpose entity in exchange for Ginnie Mae's issuance of the Ginnie Mae mortgaged-backed security to the takeout investor. The purchaser of the Ginnie Mae security (the takeout investor) was Bank of America Securities, which is a registered broker-dealer. On the specified trade date, Bank of America Securities, as takeout investor, paid the purchase price for the Ginnie Mae security to Bank of America, the holder of the 100% participation interest in the mortgage loans, and received the Ginnie Mae security. The issuance of the security caused the defeasance of the participations evidenced by the participation certificate.

Colonial was the custodian for Bank of America, as purchaser, under a custodial agreement also dated March 31, 2009. As custodian, Colonial would (i) take possession of the promissory notes evidencing the participated mortgage loans, (ii) act as authenticating agent for the sale evidenced by the participation certificates and confirm for Bank of America that all mortgage loans described in the participation certificate were in its possession and that all mortgage loan documents had been obtained sufficient for Ginnie Mae to deliver a Ginnie Mae

security, and (iii) deliver to Ginnie Mae a certification sufficient to permit Ginnie Mae to deliver a Ginnie Mae security in respect of the participated mortgage loans.

TBW serviced the mortgage loans from the period from the purchase of the participation certificate by Bank of America to the sale of the mortgage loans and issuance of the Ginnie-Mae security. Bank of America, as purchaser, would engage TBW, as seller, to service the mortgage loans, so long as Bank of America owned the participation certificate. TBW, as seller, retained bare legal title to the mortgage loans to facilitate servicing the loans.

2. Ocala Funding Facility

In addition to the participation facilities, the other major source of funding as of the Petition Date for TBW's loan origination operations was the Ocala Funding Facility, a commercial paper securitization facility. This facility was established in 2005 for the purpose of financing the sale of mortgage loans originated by TBW. Ocala Funding LLC is a limited liability company formed by TBW in 2005 as a "bankruptcy remote" subsidiary, and TBW was its managing member. Ocala Funding was formed for the sole purpose of (1) purchasing mortgage loans that met certain criteria from TBW and (2) selling and securitizing the mortgage loans to third parties (principally Freddie Mac).

It was expected that Ocala Funding would not hold mortgage loans for more than 60 days. Ocala Funding obtained funds to purchase mortgage loans from TBW by issuing short-term promissory notes, commonly referred to in the industry as commercial paper notes. Those short term notes were secured by mortgage loans owned by Ocala Funding, and from Cash held in reserve or collateral accounts. The transaction documents also allowed for the issuance of other types of promissory notes. Since June 30, 2008, the only holders of the senior promissory notes issued by Ocala Funding were BNP Paribas and Deutsche Bank. LaSalle Global Trust, an operating unit of LaSalle Bank (now known as Bank of America and referred to herein as Bank of America) serves as (i) the indenture trustee for the noteholders under the indentures and depositary agreements under which the notes were issued, (ii) as collateral agent for the benefit of the indenture trustee, the depositary, and the noteholders, (iii) as custodian of the original mortgage loans and mortgage loan documents for the benefit of the indenture trustee, the collateral agent and the noteholders, and (iv) as depositary agent. TBW was the servicer for the facility.

As collateral agent, among other duties, Bank of America was required to maintain (a) a reserve fund that had at all times a minimum amount as stated in the transaction documents and (b) a collateral account into which proceeds from the sale of notes was deposited, from which all maturing notes were to be paid, and from which, if no termination event or amortization event occurred and required reserves were maintained, the issuer (Ocala Funding) could receive a distribution to purchase additional mortgage loans. Other credit enhancements were also established, including a holdback. Ocala Funding also issued subordinated notes which are subordinated in right of payment to the notes held by BNP Paribas and Deutsche Bank.

As custodian, among other duties, Bank of America maintained the original mortgage loans that were collateral for the noteholders, and delivered to third party purchasers (principally

Freddie Mac), in escrow, for examination, mortgage loans owned by Ocala Funding and subject to the lien of the collateral agent.

As depositary agent, among other duties, Bank of America acted as depositary for the safekeeping of, and issuing and paying agent for, the notes.

On each date that notes issued by Ocala Funding matured, the noteholders were to be repaid in full the principal and interest owing under those maturing notes, and, on that same day, if certain conditions were met, the investors would purchase a new issuance of Ocala Funding commercial paper. The transaction documents required that the proceeds from each issuance of notes be used to repay notes of the same type maturing on that day, and after paying the maturing notes and paying certain permitted expenses under the transaction documents for the securitization facility, Ocala Funding was allowed to receive the remaining funds to purchase additional mortgage loans from TBW. Cash from the sale of mortgage loans to Freddie Mac was to be remitted to the Ocala Funding collateral account maintained by Bank of America. Thus, Cash collections from the sale of mortgage loans to Freddie Mac and Cash advanced by the noteholders to purchase new notes were to be used to pay the notes that were maturing, to pay certain expenses of the securitization transaction, fund certain reserves and holdbacks, and to purchase new mortgage loans that met Freddie Mac's criteria.

From its inception, the Ocala Funding Facility was an important funding source for TBW, and the amount of issued and outstanding notes increased as TBW's business grew. In May of 2005, there was a total of $325 million in issued and outstanding secured loan notes. By June 2007, the outstanding balance of issued secured loan notes had grown to more than $4.4 billion. In addition, Ocala Funding owed $67.5 million in subordinated debt. In August 2007, the asset-backed commercial paper market crashed. As a result, Ocala Funding was unable to continue issuing new secured loan notes as it had done in the past, and many of the original participants in the facility stopped purchasing secured loan notes. As a result, between August 2007 and October 2007, Ocala Funding redeemed almost $2.8 billion in secured loan notes.

The Ocala Funding Facility was restructured on June 30, 2008, and the maximum amount of the facility was reduced to $1.75 billion. Deutsche Bank and BNP Paribas were the only remaining investors in the facility, and the mortgages assigned as collateral to the facility were specifically allocated among those two participants. Importantly, after the June 2008 restructuring, wet funding was no longer permitted under the facility and the Colonial COLB Facility became TBW's principal source for wet funding.

When TBW received notice from Freddie Mac on August 4, 2009 that it was allegedly terminated as an approved Freddie Mac seller or servicer, TBW was not able to originate new mortgage loans to sell to Ocala Funding. As of that date, the assets owned by Ocala Funding were substantially less than its liabilities.[14]

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[14] As discussed more fully in the Reconciliation Report, as of the Petition Date, Ocala Funding owed approximately $1.68 billion to Deutsche Bank and BNP Paribas pursuant to promissory notes issued as part of the

The manner by which TBW utilized Ocala Funding led to increasing problems by the Petition Date. As discussed more fully in the Reconciliation Report, certain loans assigned to the COLB Facility had previously been "sold" to Ocala Funding and delivered to Bank of America, as its collateral agent. Moreover, Ocala Funding or TBW had previously sold certain of these loans to third-party mortgage investors such as Freddie Mac. This practice resulted in the respective records of Colonial, Ocala Funding and Freddie Mac (or other investors) each indicating that they were the "owner" of over 4,000 of the same mortgages.

On November 25, 2009, BNP Paribas and Deutsche Bank sued Bank of America for breach of contract, to enforce their right to indemnification under the transaction documents for the Ocala Funding Facility, and for breach of fiduciary duty. The complaint alleged that the investment made by the investors in Ocala Funding was premised on the understanding that at all times the obligations owing under the commercial paper notes would be fully secured by mortgage loans owned by Ocala Funding and by Cash collected from sales of mortgage loans by Ocala Funding to Freddie Mac. The investors claim they relied on the borrowing base certificate prepared by Ocala Funding before purchasing any new commercial paper from Ocala Funding, and that Bank of America falsely certified that the borrowing base condition was satisfied, and repeatedly did so. They also claimed that Bank of America allowed TBW access to funds in Ocala Funding accounts to make withdrawals that were not permitted by the transaction documents.

Bank of America has filed a motion to dismiss the complaint filed by BNP Paribas and Deutsche Bank. Specifically, Bank of America claims that it had no duty to monitor Ocala Funding's performance under the transaction documents, much less an express duty, and that Bank of America has no duty in the transaction documents to verify Ocala Funding's compliance with the borrowing base. Bank of America claims that it was entitled to rely on certifications provided by Ocala Funding in regard to the matters raised in the complaint. It claims that TBW used its power and authority as servicer to convert funds belonging to Ocala Funding and to direct Bank of America to deliver mortgage loans to enable TBW to convert those mortgage loans for the benefit of TBW or others. Bank of America claims that the transaction documents for the Ocala Funding Facility made it abundantly clear that it was Ocala Funding and TBW, not Bank of America, that was to manage Ocala Funding's assets and direct its daily operations, including the selection and purchase of mortgages and the flow of mortgage proceeds. It further claims that it was TBW, and not Bank of America, that expressly undertook in the transaction documents to perform the oversight functions that the complaint attributes to Bank of America.

Bank of America has filed a proof of claim against TBW in these Chapter 11 Cases in the amount of $1.75 billion, and to the extent treble damages are permitted, $5.25 billion, plus other unliquidated amounts. The proof of claim asserts claims against TBW for fraud, conspiracy, theft, breach of fiduciary duty, breach of contract and other grounds. The holders of the commercial paper notes, Deutsche Bank and BNP Paribas, also filed Claims.

Ocala Funding Facility. As of that date, the UPB of the collateral in possession of Bank of America, as collateral agent for the Ocala Funding Facility, comprised of Cash and 693 loans, was less than $165 million.

Ocala Funding is not a debtor in TBW's bankruptcy proceeding. However, transactions between TBW and Ocala Funding and the Ocala Funding Facility were a major focus of the Asset Reconciliation conducted by the Debtor during the pendency of this case. See discussion of the Reconciliation Report *infra* at IV.H.7.

3. Credit Facilities

In addition to the various participation facilities and the Ocala Funding Facility, TBW also had a number of smaller traditional credit facilities which it accessed in connection with the origination and sale of mortgage loans. Included among those facilities are the Colonial Overline Facility and the RBC Bank Construction Facility.

a. Overline Facility

At the Petition Date, the Colonial Overline Facility was comprised of two sub-facilities that, collectively, provided $19.8 million in funding for TBW:

(1) a discretionary mortgage loan repurchase facility, evidenced by the Repurchase Agreement under which TBW received 98% of the principal balance of the loan as the purchase price for each conforming loan purchased (the advance rate for a non-conforming loan was 70%), and

(2) a committed line of credit under which Colonial made advances against 70% of the value of REO owned by TBW as a result of a foreclosure of a mortgage loan that had been the subject of a "sale transaction" (referred to as a "Transaction" under the Repurchase Agreement). This sub-facility is referred to as the REO Line of Credit.

At the Petition Date, the combined commitment under the Overline Facility (for both purchases of loans under the Repurchase Agreement and advances secured by REO under the REO Line of Credit) was $19.8 million.

Previously, TBW also had available to it a committed repurchase facility referred to as the "Repo Line" that allowed TBW to "sell" mortgage loans it originated to the "buyers" (which in fact were lenders) under the Repurchase Agreement. In January 2009, the buyers terminated their commitments to purchase loans under the Repo Line, leaving only the discretionary sub-facility under the Overline Facility in place with Colonial as the sole purchaser of loans. Transactions that were "open" under the Repo Line of the Repurchase Agreement in January 2009 were transferred to the Overline sub-facility. The Repo Line and the discretionary Overline sub-facility were warehouse facilities designed to provide short-term financing pending the sale by TBW of the Purchased Loans to an investor (typically a private investor or a securitization trust). TBW serviced Purchased Loans pending purchase by a take-out investor, which provided TBW with an additional source of fee revenue.

Each mortgage loan assigned under the Overline Facility (or the Repo Line when it was in effect) was termed a "Purchased Loan" and each assignment was referred to as a "Transaction." A Transaction remained an "Open" Transaction until the Purchased Loan was sold to an investor or repurchased by TBW. Concurrent with each transfer of a Purchased Loan

to a buyer, TBW agreed to repurchase the loan in connection with the sale of the loan to an investor or upon the occurrence of certain triggering events. Specifically, TBW was obligated to repurchase Purchased Loans: (i) upon demand, upon the occurrence of any event of default under the Repurchase Agreement; (ii) ten days after notice to TBW of breach of a representation or warranty relating to a Purchased Loan, if such breach remained uncured by TBW; (iii) upon expiration of the commitment of the applicable take-out investor to purchase such Purchased Loan, unless a new investor commitment was provided; and (iv) at the termination of the facilities under the Repurchase Agreement (which had a maturity of 1 year or less). The substantial degree of recourse available against TBW (for events triggered by factors *other than* misrepresentations as to the quality of the loans being sold) rendered these transactions financings rather than true sales.

Colonial claimed to be perfected in the Overline Loans, either by possession or filing. The Plan Proponents challenged Colonial's perfection in the Overline Loans. All perfection issues raised by the Plan Proponents regarding the Overline Loans were also settled in the FDIC Settlement Agreement. See discussion of the FDIC Settlement Agreement in Section V of this Disclosure Statement.

b. RBC Bank Construction Facility

At the Petition Date, TBW also had a $9 million line of credit for the purpose of funding construction loans to consumers to build single family residences until the loans were converted to permanent mortgage loans. This line of credit was provided by Florida Choice Bank (n/k/a RBC Bank), and is evidenced by a Loan Agreement dated August 31, 2005.

This line of credit was a secured loan, and the collateral was the construction note, the related mortgage, any guaranty, and all other documents relating to the construction loan. RBC Bank filed a UCC-1 financing statement describing this collateral.

RBC Bank obtained stay relief to liquidate its collateral and has an unsecured Deficiency Claim for this facility. Thus, RBC Bank does not hold a Secured Claim against TBW.

4. Loan Servicing Facilities

In addition to its loan origination facilities, TBW had two principal loan facilities that provided capital to fund its substantial servicing operations, the Sovereign Facility and the Natixis Facility, which are described below.

a. Sovereign Facility

Sovereign, as agent for a lender group, provided a revolving credit facility that, as of the Petition Date, was not a fully advanced facility. The Sovereign Facility is evidenced by the Sovereign Loan Agreement. The Sovereign Facility at one time provided working capital funding of up to $311.5 million, but by August of 2009 the amount outstanding on the facility had been reduced to approximately $168.2 million.

The Plan Proponents are currently reviewing the validity, perfection and priority of Sovereign's Liens in the collateral claimed by Sovereign. The Debtor reserves its rights to contest and obtain a judicial determination of the validity and priority of Sovereign's claimed Lien in the collateral for this facility. Further, the Debtor has not determined whether there is any value in the lien claimed by Sovereign.

b. Natixis Facility

Natixis Real Estate Capital, Inc., f/k/a IXIS Real Estate Capital Inc., extended to TBW a committed line of credit that TBW was to use in accordance with the requirements of Freddie Mac. The Natixis Facility provided up to $133 million in working capital, but by August of 2009 only approximately $46.4 million was outstanding on the facility. The credit facility is evidenced by the Natixis Loan Agreement.

Natixis claims a first-priority perfected security interest in certain rights with regard to mortgage loans covered by or associated with TBW's Freddie Mac Seller Servicer No. 142080. Natixis filed a UCC-1 covering certain collateral.

The Plan Proponents are currently reviewing the validity, perfection and priority of Natixis' Liens in the collateral claimed by Natixis. The Debtor reserves its rights to contest and obtain a judicial determination of the validity and priority of Natixis' claimed Lien in the collateral for this facility. Further, the Debtor has not determined whether there is any value in the lien claimed by Natixis.

5. Guaranty of Plainfield Loan to TBW Affiliate

In connection with the formation of TBW's ESOP and TBW's buyout of the equity position that was held by RLI Corp., an Illinois corporation, in TBW, TBW guaranteed a $31 million term loan made by Plainfield to LBF Holdings LLC, a Florida limited liability company that is owned and controlled by Lee Farkas. Lee Farkas is a co-guarantor on the loan. The loan is evidenced by a Term Loan Agreement dated July 31, 2007 between LBF Holdings LLC, as Borrower, and Plainfield, as Lender.

This $31 million term loan was made for the purposes of (i) repaying existing indebtedness owed to Colonial by Lee Farkas under a Term Loan Agreement dated December 29, 2006, (ii) repaying subordinated debt of TBW to RLI Insurance Company, an Illinois corporation, in the amount of $3 million, which had been subordinated to TBW's obligations to Plainfield, and (iii) to finance TBW's general corporate purposes.

The Plan Proponents are currently reviewing the validity, perfection and priority of Plainfield's Liens in the collateral claimed by Plainfield. The Debtor reserves its rights to contest and obtain a judicial determination of the validity and priority of Plainfield's claimed Lien in the collateral for this facility. Further, the Debtor has not determined whether there is any value in the lien claimed by Plainfield.

6. Henley Holdings Facility

In October of 2007, TBW entered into a transaction with Henley Holdings LLC pursuant to which TBW transferred second-lien mortgage loans having an approximate UPB of $150 million to Henley Holdings in exchange for $100 million (referred to in this Section IV.D.6 as the "Investment Balance"). The transaction was structured as a sale of the loans from TBW to a wholly-owned special purpose entity, TBW Funding III LLC, with TBW Funding III thereafter selling the loans to Henley Holdings pursuant to the terms of a Mortgage Loan Sales and Servicing Agreement dated October 17, 2007 (together with related transaction documents, referred to as the Henley Holdings Documents). Because TBW Funding and TBW continued to have certain obligations with respect to representations, warranties, and covenants under the transaction documents relative to the loans and the performance of the loans and an obligation to repurchase or substitute loans in the event the loan portfolio failed to meet certain performance criteria, for accounting purposes TBW treated the transaction as a financing on its books and records as opposed to a true sale. Under the terms of the agreement, TBW continued to act as servicer for the loans. Additionally, upon repayment in full of the Investment Balance, the agreement provided that the loans would be assigned and reconveyed by Henley Holdings to TBW Funding III. Immediately prior to the Petition Date, Henley Holdings terminated TBW's right to service the loans and had the servicing of the loans transferred to 21st Century Mortgage Corporation (an affiliate of Henley).

TBW listed Henley Holdings in its Schedules as a secured creditor holding approximately $77.5 million of secured debt payable by TBW. Henley Holdings has filed a proof of claim asserting that it is the legal titled and beneficial owner of the loans. Henley Holdings takes the position that under the terms of the agreements governing the transaction, certain Material Defaults and Trigger Events (as those terms are defined in Henley Holdings Documents) have occurred and neither the Debtor nor TBW Funding III has any interest in the mortgage loans. Further, Henley asserts that if the transaction was characterized as a loan, any such loan would be secured by a first priority perfected security interest in the loans and proceeds thereof. The Debtor has not made a determination on the merits of Henley Holdings' Claim and the perfection status of the collateral underlying its claim and reserves all rights with respect thereto.

E. Properties

As of the Petition Date, TBW leased real estate premises at over 60 locations across the U.S.. As of the Petition Date, the Debtor's chief executive office was located at 315 N.E. 14th Street, Ocala, Florida 34470. TBW leases its Ocala headquarters. TBW owns REO and certain other real estate in Ocala which it purchased for purposes of additional parking near its corporate headquarters. HAM owns an office building in Lawrenceville, Georgia, which is not encumbered by a mortgage.

By order of the Court dated October 23, 2009, the Debtor rejected approximately 62 non-residential real property leases [Docket # 516]. The Debtor continues to occupy certain locations pursuant to written lease agreements with various landlords, particularly its Ocala headquarters, certain storage facilities, and its Central Document Facility. On May 6, 2010, the Debtor obtained an order to extend the deadline to assume or reject such leases [Docket # 1408]. The

deadline to assume or reject the Ocala headquarters lease is extended until confirmation of the Chapter 11 Plan.

F. **Events Leading to the Debtors' Chapter 11 Filings**

TBW's fall was sudden and dramatic. On Monday, August 3, 2009, in connection with an ongoing investigation of Colonial, federal agents executed a search warrant at TBW's headquarters in Ocala, Florida. The following day, August 4, 2009, the United States Department of Housing and Urban Development (HUD) suspended TBW's HUD/FHA origination and underwriting approval, Ginnie Mae issued a notice purporting to terminate TBW's authority to act as a Ginnie Mae issuer and to service its $26 billion mortgage portfolio, and Freddie Mac issued a notice purporting to terminate TBW's eligibility to sell loans and to service its $51.2 billion portfolio.

Although TBW had rights of appeal, the suspension and terminations by these agencies dealt a death blow to TBW's business operation. Left with no other choice, in the afternoon of August 5, 2009, TBW laid off approximately 2,000 employees,[15] reduced its business operations to the minimum level believed necessary to preserve the value of its Assets, and began planning for an orderly restructuring or liquidation of the company, resulting in the filing of its Chapter 11 Case.

From TBW's perspective, the August 5, 2009 shutdown of the majority of its business operations was the result of a series of events that had begun on March 31, 2009. On that date, which was also the last day of TBW's 2008-2009 fiscal year, a group of investors led by TBW signed a definitive agreement with Colonial BancGroup, Inc. (referred to as Colonial BancGroup) to participate in a $300 million equity infusion into Colonial BancGroup. Colonial BancGroup is a publicly held bank holding company that is the parent of Colonial. Colonial was struggling, and the $300 million equity investment would make Colonial BancGroup eligible to receive federal Troubled Asset Relief Program (TARP) funds pursuant to an application previously filed by Colonial BancGroup. The closing of the investment by TBW and the other investors was subject to a variety of conditions. The transaction also required the approval of banking regulatory authorities, including the OTS and the Alabama Banking Department, which imposed extensive conditions on the closing of the transaction. The parties to the agreement anticipated that Colonial BancGroup would continue to operate as a publicly traded company with an independent board of directors and management team separate and apart from TBW following the closing of the transaction. Under the terms of the agreement, which were publicly disclosed by Colonial BancGroup on March 31, 2009, the equity investment was to be completed by July 31, 2009.

Historically, TBW and Colonial have had an extensive banking relationship. Colonial maintained virtually all of TBW's bank accounts, including approximately 108 custodial accounts necessary to TBW's servicing business. Significantly, as previously discussed,

[15] It is alleged by these employees that their termination violated the WARN Act, as discussed in Section IV.H.10 below.

Colonial was also party to participation facility agreements with a cumulative purchasing capacity in excess of $3 billion, along with a $19.8 million line of credit, all of which were critical to TBW's business operation.

In connection with the close of TBW's fiscal year on March 31, 2009, Deloitte & Touche LLP (referred to herein as Deloitte), the company's auditor, performed work necessary to the preparation and issuance of TBW's audited financial statements. Pursuant to HUD regulations and TBW's agreements with Ginnie Mae, Freddie Mac, and various lenders, TBW was required to deliver its year-end audited financial statements to the agencies and its lenders within 90 days of its fiscal year-end (*i.e.*, by June 30, 2009). As the audit was underway, banking regulators were reviewing the proposed investment in Colonial by TBW and others in the investor group. Colonial had previously applied for TARP funds in connection with the proposed transaction, and that application was apparently under consideration.

On June 16, 2009, members of Deloitte's audit team met with TBW and expressed concerns that they were encountering delays in obtaining information and documentation from TBW regarding TBW's accounting treatment and presentation of REO on its balance sheet. REO Assets of TBW, for the most part, are properties that were on its balance sheet as a result of foreclosures. An Asset becomes REO when the collateral, residential real estate, securing a defaulted mortgage loan is foreclosed. Specifically, Deloitte was focused on REO Assets that were originally funded using one of Colonial's participation facilities with TBW. Deloitte's concerns derived from its belief that a conversation may have occurred between individuals at TBW and Colonial regarding the accounting treatment for REO on TBW's balance sheet.

Acting on its belief that TBW and Colonial employees had engaged in potentially inappropriate communications regarding TBW's accounting treatment of REO Assets, Deloitte recommended that TBW retain outside counsel, independent from any aspect of TBW's relationship with Colonial and the pending transaction with Colonial, to examine the nature and extent of the perceived communications between TBW and Colonial regarding the REO issue. As a result, TBW retained Troutman Sanders, TBW's special counsel in these Chapter 11 Cases, to look into these issues.

In a letter dated July 2, 2009, Ginnie Mae notified TBW that its failure to submit timely audited financial statements by June 30, 2009, as was required by TBW's Guarantee Agreement as well as the Ginnie Mae Mortgage Backed Securities Guide, constituted an event of default. In its July 2 letter, Ginnie Mae required TBW to provide a written response to Ginnie Mae's July 2 letter that satisfactorily addressed this issue.

Subsequently, in a letter dated July 6, 2009, TBW's Chief Executive Officer, Paul Allen, provided an explanation to Ginnie Mae of the reasons for the delay in delivering audited financials and stated there were no unresolved issues with TBW's auditors. This letter was not reviewed by TBW's counsel, Deloitte, or TBW's Chairman. Two weeks later, when TBW had not delivered audited financial statements, Ginnie Mae requested TBW's permission to speak with Deloitte about the audit. TBW consented, and on or about July 20, 2009, Ginnie Mae spoke with Deloitte. It is now apparent that based on conversations it had with Deloitte, Ginnie Mae drew the conclusion that Mr. Allen's July 6 letter had been misleading. Consequently, on July

22, 2009, Ginnie Mae demanded a prompt explanation, which was provided by a letter from TBW's Chairman dated July 27, 2009. Following TBW's receipt of Ginnie Mae's July 22, 2009 letter, TBW, through Troutman Sanders, was in ongoing communication with Ginnie Mae and HUD's Office of Inspector General.

Apparently, as these events unfolded at TBW, Colonial was communicating with various regulators and federal agencies. Though unknown to TBW at the time, it also appears that Colonial was the subject of civil and criminal investigations by the Department of Justice, as well as other federal agencies.

By a press release issued July 31, 2009, Colonial announced that the $300 million equity investment transaction would not close and that "substantial doubt" existed about its continued viability as a going concern. The following day, Saturday, August 1, 2009, a search warrant was issued for the search of TBW's headquarters in Ocala, Florida. Federal agents executed the search warrant at TBW's headquarters the following Monday, August 3, 2009. On that same day, federal agents executed a search warrant at Colonial's offices in Orlando, Florida.

Though not a cause of TBW's collapse, it should also be noted that on June 22, 2009, TBW entered into a Settlement Agreement and Consent Order with state regulators from 14 states regarding its loan origination and underwriting practices. In the wake of the HUD suspension and the alleged Ginnie Mae and Freddie Mac terminations on August 4, 2009, these and other states filed cease and desist actions against TBW (and, in a few cases, certain individual employees) following the August 5, 2009 shutdown of TBW's lending operations. The cease and desist actions are more fully described in Section IV.H.10.d.

Beginning on or about August 5, 2009, Colonial froze all of TBW's accounts and refused to honor checks, receive wire transfers, or permit disbursements (referred to as the Administrative Freeze). As a result, TBW was unable to conduct business and meet its servicing obligations.

The HUD suspension and the alleged Ginnie Mae and Freddie Mac terminations on August 4, 2009, caused a ripple effect throughout TBW's business. TBW received termination letters from hedge counterparties[16] and parties for whom TBW serviced mortgage loans,[17] resulting in a significant loss of revenue and substantially damaging TBW's business prospects. Additionally, demand letters were received, including a demand letter from Bank of America as Indenture Trustee accelerating and demanding payment for all principal and interest owing under

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[16] Termination letters for hedging contracts were issued by BNP Paribas, Citigroup Global Markets, Inc., Deutsche Bank, AG, Deutche Bank, AG (London Branch), among others.

[17] Servicing termination letters were sent by Bank of America (for the Ocala Funding Facility), Bayview or U.S. Bank (for the Bayview/U.S. Bank Securitizations), Colonial (for the Repurchase Agreement, the AOT Facility and COLB Facility), Colonial, as agent for other purchasers of participations under facilities similar to AOT and COLB (including the AOT/Cole Taylor Facility, the AOT/U.S. AmeriBank Facility, and the COLB/Seaside Bank Facility), and Wells Fargo (as indenture trustee for various non-affiliated securitization conduits sponsored by banks, such as Credit Suisse, BNP Paribas, Lehman Brothers and UBS).

the Notes owed by Ocala Funding. Shortly after the Petition Date, allegations began to surface that TBW had "double pledged" or sold loans to more than one investor.

A meeting of the TBW Board of Directors was called on August 20, 2009 to authorize the filing of the bankruptcy petition for TBW to stop the freefall in demand and termination letters, and to preserve TBW's servicing and loan origination businesses, in order to achieve a maximum recovery for all creditors. Following the meeting, all senior officers except Jeffery W. Cavender, TBW's General Counsel, and Stuart Scott, TBW's Chief Operating Officer, resigned. On August 23, 2009, following approval being given by the Office of Thrift Supervision of the proposed new directors and Neil Luria as CRO, the board appointed two new independent directors, William L. Maloney and R. Bruce Layman, to comprise the board and all previous members of the Board of Directors resigned. The new board then approved the prior board resolutions authorizing the bankruptcy filing and appointed Neil Luria to serve as CRO for TBW and its subsidiaries on August 23, 2009.

G. Impact of Pre-Filing Events Upon TBW's Assets and Liabilities

Through the process resulting in the Reconciliation and other activities undertaken by the Debtor since the Petition Date, it is now evident that by the time that the events described in the preceding subsection F of this Section actually occurred, TBW's liabilities far exceeded its assets. While TBW was engaged in significant, legitimate business activity, it did not generate sufficient profit or have the resources and financing available to fund its operations. In fact, it now appears that TBW operated at a significant loss for a number of years and that as the company grew in recent years, those losses were exacerbated.

As indicated by the results of the Asset Reconciliation, TBW covered its operating losses, as well as its obligations to mortgage investors, by misappropriating and misusing funds and funding sources over which it exercised control – primarily the COLB, the AOT and the Ocala Funding Facilities. At the same time, TBW was originating a significant number of loans that mortgage investors now contend were not eligible for sale under the relevant controlling agreements and, therefore, should be repurchased by TBW. The combination of these factors resulted in TBW having relatively little Cash and other assets at the Petition Date as compared to billions of dollars in Claims.

H. These Chapter 11 Cases

TBW filed for Chapter 11 protection on August 24, 2009, in order to preserve its remaining business operations and effectuate an orderly liquidation of its property for the benefit of creditors. As discussed below, the Debtor has worked diligently to protect, preserve, and ultimately administer properly its property for the benefit of Creditors.

These Chapter 11 Cases have been complicated by the fact that it is now evident that TBW used the proceeds of mortgage loan sales and other funding sources in a manner that was inconsistent with the nature, purpose and provisions of agreements with certain lenders and other stakeholders. During TBW's Chapter 11 Case, the Debtor and its Professionals performed an

extensive investigation of certain related issues, which are set forth in the Reconciliation Report filed on July 1, 2010.

As discussed below, by using the tools available to them as debtors in possession under Chapter 11 of the Bankruptcy Code, the Debtors were able to impose a measure of order on the chaos which, outside of bankruptcy, would likely have resulted in an inequality of Distribution among creditors, arguably a diminished recovery to secured Creditors and, in all likelihood, no recovery whatsoever for the Debtors' unsecured Creditors.

1. Debtor in Possession Status

Since filing for bankruptcy protection, the Debtors have continued to operate as debtors in possession subject to the supervision of the Bankruptcy Court and in accordance with the Bankruptcy Code [Docket #s 15 and 16].

2. Entry of TBW's First Day Orders and Other Administrative Orders

Concurrently with filing its bankruptcy petition, the Debtor filed several motions with the Bankruptcy Court that were intended to stabilize the Debtor and enable it to continue certain limited operations. Pursuant to its First Day Motions, the Debtor sought and obtained from the Bankruptcy Court, among other relief, approval of the appointment of BMC as claims, notice, and balloting agent in these Chapter 11 Cases [Docket #s 9 and 130]. The Debtor also sought and was initially denied relief to establish adequate assurance procedures with respect to utility providers [Docket #s 6 and 129]. However, the Court thereafter approved TBW's *Compromise Related to Payments of Adequate Assurance for Utility Service with the City of Ocala* [Docket #s 536 and 696].

Shortly after the Petition Date, the Debtor filed other administrative motions with the Bankruptcy Court, including: (i) a motion authorizing TBW to pay certain pre-petition obligations for wages, salaries, and other employee benefits [Docket #s 93 and 168]; (ii) a motion seeking to extend the deadline for filing the Schedules [Docket #s 121 and 307]; and (iii) a motion establishing interim compensation procedures for professionals employed by TBW's Estate [Docket # 443]. Each of these motions was granted by the Bankruptcy Court [respectively, Docket #s 325, 213[18], 322[19], and 620].

In addition, the Debtor sought and obtained authority to jointly administer TBW's Chapter 11 Case with the later-filed cases of REO Specialists (09-10022) and Home America Mortgage (09-10023) [Docket #s 730 and 921].

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[18] Specifically, TBW's *Motion to Extend Deadline to File Schedules or Provide Required Information* was in fact granted in part and denied in part, as the Court extended the deadline to September 22, 2009 rather than to September 24, 2009 [Docket # 213].

[19] TBW's *Motion for Further Extension of Time to File Schedules and Statement of Financial Affairs* was unopposed and the Court ultimately set the deadline as October 20, 2009 [Docket # 322].

3. Retention of Professionals

Neil Luria of Navigant was approved as the Chief Restructuring Officer for the Debtor and Navigant was employed pursuant to § 363 of the Bankruptcy Code to provide additional support staff. The final order approving the employment of the CRO and Navigant was entered by the Bankruptcy Court on November 12, 2009 [Docket # 635]. In addition, the Debtor retained professionals to assist in managing the Chapter 11 Cases, including Stichter, Riedel, Blain & Prosser as TBW's general bankruptcy counsel [Docket # 525], and Troutman Sanders LLP, as Debtors' special bankruptcy counsel [Docket # 173].

The Debtor also sought and obtained authority to continue to employ professionals, including attorneys, that TBW employed pre-petition in the ordinary course of its business (Ordinary Course Professionals),[20] without having to file formal retention applications with the Bankruptcy Court [Docket # 1477]. The Ordinary Course Professionals primarily handle matters related to foreclosure, lawsuits by certain borrowers, labor and employment benefits, local real estate, environmental, and accounting. Each Ordinary Course Professional is entitled to be paid monthly 100% of fees and disbursements incurred post-petition subject to approval of a monthly invoice by TBW, the Creditors' Committee, and the U.S. Trustee's Office. Any Ordinary Course Professional whose fees and disbursements exceed a total of $25,000 per month is required to prepare and file a fee application for that month. Any Ordinary Course Professional who receives fees and disbursements in excess of $100,000 during the pendency of the Bankruptcy is required to file a final fee application.

4. Appointment of Official Committee of Unsecured Creditors

On September 11, 2009, the United States Trustee appointed the Creditors' Committee [Docket # 203]. Since its formation, the Creditors' Committee has participated in virtually every aspect of these Chapter 11 Cases.

On December 11, 2009 and March 25, 2010, the U.S. Trustee reconstituted the Creditors' Committee [Docket #s 761 and 1235]. As of the date of this Disclosure Statement, the following are members of the Creditors' Committee:[21]

First American Real Estate Tax Service, LLC
American Express
Lender Processing Services, Inc. and related affiliates
ICBA Mortgage, Inc.

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[20] To date, TBW's Ordinary Course Professionals include: (i) Butler Snow; (ii) Crowe Horwath LLP; (iii) Gray, Ackerman & Haines, P.A.; (iv) James Moore & Co.; (v) Ray & Sherman, LLC; (vi) R. William Futch, P.A.; (vii) Codilis & Associates P.C.; (viii) Phelan Hallinan & Schmieg, LLP; (ix) Heather Linn Rosing, Esq.; and (x) Drew W. Gilliland, Esq.

[21] James Gregory Hicks, the former owner of HAM, who was represented on the Creditors' Committee by the law firm of Marchman, Kasraie & Fodor LLC, resigned from the Creditors' Committee on December 11, 2009. At the same time, ICBA Mortgage, Inc. was appointed to the Creditors' Committee [Docket # 486]. Nationwide Title Clearing, Inc. resigned on March 25, 2010 [Docket # 1235].

The Creditors' Committee retained the law firm of Berger Singerman, P.A. as its counsel [Docket #s 486 and 917].

On March 2, 2010, the Court granted the Creditors' Committee's *Motion for Derivative Standing to Prosecute Litigation in the Name of the Debtor* [Docket # 1108]. As discussed below, the Creditors' Committee has brought multiple adversary proceedings in the name of TBW.

5. Debtor in Possession Financing and Use of Cash Collateral

Also on the first day of these Chapter 11 Cases, the Debtor sought approval to use cash collateral for, among other things, (i) care, maintenance, and preservation of Assets; (ii) payment of necessary business expenses; and (iii) costs of administration of these Chapter 11 Cases [Docket # 5]. The cash collateral consisted of funds on deposit in various bank accounts, as well as various accounts and notes receivables. In return for use of the cash collateral, the Debtor proposed to grant replacement liens to certain secured creditors as adequate protection. The Court approved the Debtor's use of the cash collateral on an interim basis [Docket # 72]. The Court extended authorization to use cash collateral and overruled any pending objections in three subsequent orders. [Docket #s 357, 603, and 634].

In addition, the Debtor sought approval for debtor-in-possession financing to maintain and stabilize its business and commence an orderly liquidation of Assets [Docket # 498, the DIP Financing Motion]. Specifically, the Debtor sought authorization to enter into a debtor-in-possession financing facility agreement with Selene Residential Mortgage Opportunity Fund, L.P. and other potential lenders approved by Selene Residential. The DIP Facility would be secured by a first priority lien on a discrete portfolio of REO residential properties and would have a principal maximum amount of $25 million, plus an additional potential $175,000. The DIP Facility was expressly conditioned on naming Selene RMOF REO Acquisition II LLC, an affiliate of Selene Residential, as the Stalking Horse Bidder for the bulk REO Sale (discussed in detail, *infra* in § IV.H.12.A). Allowed claims under the DIP Facility were granted priority over other Administrative Expense Claims, except for the payment of up to $2.5 million comprising a "carve-out," which includes fees and expense reimbursements owed to certain professionals in these Chapter 11 Cases.

The Court approved the DIP Financing Motion, subject to one condition [Docket # 617]. The FDIC and Freddie Mac both claimed ownership and/or a perfected lien in certain of the real estate Assets that the Debtor proposed as collateral for the DIP Facility. As a result, the Court ordered that the FDIC and Freddie Mac had nine days to provide a list and supporting statement of specific items of DIP Facility collateral as to which they claimed an interest [Docket # 617, ¶ 28]. Neither the FDIC nor Freddie Mac provided such documentation, and the hearing to settle any disputes regarding the DIP Facility collateral was cancelled [Docket #s 654 and 674]. Notwithstanding approval of the DIP Facility by the Bankruptcy Court, the Debtor never drew down on the DIP Facility.

On October 29, 2009, the Debtor filed a thirteen-week budget as required by the cash collateral orders [Docket # 547]. On February 2, 2010, the Debtor filed a *Notice Regarding*

Cash Collateral Budgets in which the Debtor gave notice that as of December 23, 2009, it ceased using the cash collateral due to the success of the REO bulk sale (discussed in detail, *infra* in § IV.H.12.A.) [Docket # 1018]. Accordingly, as discussed in the Notice, the Debtor and the Creditors' Committee agreed that the Debtor was no longer required to prepare and serve cash collateral budgets.

6. Termination of TBW as Servicer and Transfer of Servicing to Other Entities

Beginning almost immediately after commencement of these Chapter 11 Cases, the Debtor was beset with motions seeking relief from the automatic stay to terminate TBW's servicing rights (in addition to those that were purportedly terminated pre-petition). The Debtor was largely successful in reaching a consensual compromise of these matters, which afforded the Debtor necessary breathing room to focus on maintaining and stabilizing its business for an orderly liquidation. While the compromises resulted in transition of the servicing rights to other entities, the Debtor was able to arrange for such turnover on terms that minimized the impact on borrowers and the disruption of its remaining business operations and, at certain times, in exchange for Cash or other consideration beneficial to its Estate. Cooperation between the Debtor and the creditors to orderly transition servicing also minimized the potential for claims against the Debtor (including, possibly, Administrative Expense Claims) that might have resulted from a less orderly transition.

As summarized in the following schedule, the servicing of all mortgage Assets has been transferred to subsequent servicers (except for 749 of the "net-funded loans" described in subsection 8, issue four, below).

TBW Loan Service Release Schedule by Investor

Investor	Successor Servicer	Dates	# of Loans
Henley Holdings	21st Mort Corp	8/18/09	2,946
Bank of America	Bank of America	8/10/09 - 8/18/09	2,920
Bayview	Bayview	9/1/09	2,021
Colonial	RoundPoint	9/4/09 - 12/14/09	7,709
FHLMC	Cenlar	8/12/09	266,183
FHLMC	Ocwen	8/12/09	24,305
FHLMC	Saxon	8/12/09	4,991
GNMA	BOA	8/10/09 - 8/21/09	180,205
Ocala Funding	RoundPoint	9/18/09	183
Platinum Community Bank	Dovenmuehle / RoundPoint	8/27/09	1,518
Seaside	RoundPoint	9/4/09	538
TBW	Selene Finance	11/6/09 - 5/12/10	1,060
Wells Fargo	American Home Mtge	10/19/09	15,996
Various	Various	Aug - Dec 09	711
Total			511,286

7. The Servicing Reconciliation and the Asset Reconciliation

From the very beginning of this Case, there have been significant questions about the nature, location, and ownership of certain mortgage assets originated, sold, and/or serviced by TBW. As a result, on or about September 10, 2009, the Debtor and the FDIC entered into a written stipulation (FDIC Stipulation) [Docket # 222] that: (1) provided a framework for the interface between the TBW bankruptcy estate and the Colonial receivership; and, (2) defined a reconciliation process designed to identify and address issues regarding the appropriate allocation, receipt and disbursement of borrower funds and other cash, as well as questions regarding the nature and ownership of the mortgages and other related Assets under TBW's management and control as of early August 2009.

The FDIC Stipulation is a result of the Debtor's and FDIC's desire to resolve the issues raised in the FDIC's *Motion for Relief from the Automatic Stay* [Docket # 64] and the Debtor's *Emergency Motion for Turnover, Approval of Procedures for the Maintenance and Use of Borrower Payments, and Immediate Resolution of Related Issues* [Docket # 83]. It was preliminarily approved in an order of this Court dated September 29, 2009 [Docket # 348] with objections filed. In accordance with consensual modifications intended to address the fundamental points raised by the objections, the FDIC Stipulation was approved in an order entered on October 16, 2009 [Docket # 468].[22]

The FDIC Stipulation provided that the Debtor would perform a "Servicing Reconciliation" and an "Asset Reconciliation." Exhibit A to the Reconciliation Report generally describes the activities undertaken in the performance of the Servicing Reconciliation, and Exhibit B describes the activities undertaken in the performance of the Asset Reconciliation.

The Servicing Reconciliation, as more fully described in Exhibit A to the FDIC Stipulation, included a full and complete reconciliation of all servicing issues of: (a) all bank accounts maintained by TBW at Colonial as of August 6, 2009; (b) all borrower payments received by and currently held in the Colonial lock box; (c) all borrower payments received by and currently under the control of the Debtor; and (d) all payments received from parties other than borrowers that are related to the mortgage servicing activities of the Debtor (*e.g.*, tax and insurance refunds).

The Asset Reconciliation, as more fully described in Exhibit B to the FDIC Stipulation, required the resolution and reconciliation of issues regarding ownership and other rights in mortgages, REO and other related Assets that were serviced, maintained and controlled by TBW as of August 3, 2009.

The FDIC Stipulation further provided that upon completion of the Servicing Reconciliation and the Asset Reconciliation, the Debtor would file a report describing the results of the reconciliation process. The FDIC Stipulation established a target of October 30, 2009 for the completion of the Servicing Reconciliation but provided for the possibility of a longer

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[22] Additional modifications to the Stipulation were subsequently approved [Docket #s 648, 974, 1308, 1513].

process, which was necessary. The Debtor's First Interim Reconciliation Report [Docket # 555] provided general background information regarding TBW's business operation and the events surrounding the filing of the Petition on August 24, 2009. The Debtor's Second Interim Reconciliation Report, filed on December 15, 2009 [Docket # 776], provided a reconciliation and allocation of $811,748,402 in borrower-related funds that were affected by the Administrative Freeze Colonial imposed on TBW's deposit accounts on August 5, 2009, Colonial's subsequent failure and TBW's bankruptcy.

The Debtor filed the Final Reconciliation Report on July 1, 2010 [Docket # 1644] (referred to as the Reconciliation Report). The Reconciliation Report provides to the Court, mortgage investors, creditors, borrowers, and other stakeholders in these Cases the final results of the Servicing and the Asset Reconciliation performed by the Debtor pursuant to the terms of the FDIC Stipulation.[23] The information set forth in the Reconciliation Report is the result of work performed by the Debtor, as debtor in possession, the CRO, and associated support staff and legal counsel.

While the Debtor's analysis is set forth in detail in the Reconciliation Report, the fundamental findings can be summarized as follows:

Servicing Reconciliation

- The cumulative amount of servicing-related funds affected by the abruptness of TBW's collapse was $860,642,822 (referred to as the Gross Affected Funds). These Gross Affected Funds included: (a) deposits in servicing-related accounts at Colonial, Regions, Seaside and Platinum Bank; (b) certain money that the Debtor and the FDIC have turned over to mortgage investors since August 5, 2009, including checks in the lockbox at Colonial; and, (c) electronic payments that were in process, but not completed, as of August 5, 2009. The Gross Affected Funds do not include additional borrower payments received by the Debtor and forwarded to new servicers after servicing transfers were accomplished.

- As of April 30, 2010, a total of $396,014,173 in servicing-related monies were on deposit at the following banks:

Colonial	$242,304,743
Regions	$148,709,430
Seaside	$5,000,000

- As of August 4, 2009 (the day before the Administrative Freeze), there was $25,145,274 less Cash on deposit in the Colonial servicing-related accounts than

[23] Due to the time and expense required, the Debtor has not undertaken a comprehensive analysis of all receipts and disbursements of money by TBW in the course of its business operation. It may be necessary and appropriate to perform such an analysis, at least for specific time periods, at some future stage of these Chapter 11 Cases.

TBW's books indicated should have been in place, indicating a Cash shortfall in the servicing accounts in this amount. Approximately $19 million of this shortfall is in tax and insurance "escrow" accounts that had not been funded as of that date due to TBW's business custom and practice regarding the funding of these accounts.

- As of the filing of the Reconciliation Report, the cumulative balance of the Debtor's unreimbursed Servicing Advances, Corporate Advances and unpaid Servicing Fees was $263,993,800.

Asset Reconciliation

- As of August 24, 2009, Ocala Funding owed approximately $1.68 billion to Deutsche Bank and BNP Paribas pursuant to promissory notes issued as part of its commercial paper facility. As of that date, the UPB of the collateral in the possession of Bank of America, as collateral agent for the Ocala Funding Facility, comprised of Cash and 693 loans, was less than $165 million. Eighty-six (86) of these loans are assigned the Ocala Funding investor code in the TBW servicing system, but 25 of these have either been "deleted" or paid off.

- According to Bank of America's records, there were 9,111 mortgage loans that were collateral securing the amounts owed on the Ocala Funding Facility as of August 24, 2009. However, it is now evident that Ocala Funding or TBW had previously sold and been paid for more than 8,600 of these loans, with 7,192 having been sold to Freddie Mac. Another 301 of the loans that were purportedly collateral for the facility, were either very old, had never closed, had been paid off, or were sold prior to 2007. Only 183 loans (including the 86 described in Paragraph 1, above) are assigned the Ocala Funding investor code in the TBW servicing system, and 23 of these loans were apparently sold to and paid for by Freddie Mac.

- In the months preceding TBW's collapse, the exclusive source for funding individual loan closings was the Colonial COLB Facility. As loans were funded, they were assigned to that facility and then sold. As of August 24, 2009, Colonial's records indicate that there were 8,714 loans assigned to the COLB Facility, with an associated advance balance in excess of $1.7 billion. Of this total, there were 4,928 loans, with a cumulative advance balance of $909.6 million, that had been "sold" to Ocala Funding and delivered to Bank of America, its collateral agent, for which Colonial had not been paid. In addition, Ocala Funding or TBW had previously sold 4,856 of the 8,714 loans to third-party mortgage investors such as Freddie Mac, which included 4,254 of the loans that had been sold to Ocala Funding (for which Colonial had not been paid). The result is that the respective records of Colonial, Ocala Funding, and Freddie Mac (and other investors) each indicate that they are the "owner" of the same 4,254 mortgages.

- As of August 24, 2009, there were 124 pools of loans assigned to the Colonial AOT Facility with a purported cumulative balance of $1,473,868,368. None of these "trades" was an actual, pending transaction, and 112 were "duplicative" of actual trades assigned to the Bank of America Early Purchase Facility (wholly unrelated to Ocala Funding), described *infra* in Section IV.D.1.c. Hence, there is no value in the 124 trades assigned to the AOT Facility. Thus, TBW presented fictitious trades or re-presented prior trades from the AOT Facility, seeking to present a legitimate forward trade with a take-out buyer for the purchase of qualifying pools of mortgage loans, when in fact it did not have a legitimate forward trade.

- In addition to the "trades," there were 9,304 individual loans assigned to the AOT Facility. As of August 24, 2009, a significant portion of these loans had been sold to other mortgage investors, had been paid off or otherwise had been charged off. Of the remainder, 1,837 had been foreclosed, with 1,197 of the underlying properties on hand on the Petition Date. The net result is that there are 3,278 loans, having a cumulative UPB of $488.5 million, assigned to the AOT that had not been sold and/or foreclosed as of August 24, 2009. The actual value of these loans is substantially less than the UPB, which means that the AOT Facility is likely under-collateralized by more than $1 billion.

- While the amounts have not been quantified precisely, it is evident that since June 30, 2008, hundreds of millions of dollars in proceeds from the Colonial AOT Facility and proceeds of loan sales by Ocala Funding and TBW were used to pay Servicing Advances and loan repurchases, pay off worthless trades assigned to the AOT Facility, and fund other aspects of TBW's business operations. These uses were inconsistent with the controlling agreements governing the facilities.

8. Borrower Protocol Issues

As the Debtor gained a better understanding of the facts and circumstances related to TBW's business operation and continued to work with the FDIC in the reconciliation efforts, it became apparent that the Servicing Reconciliation and the Asset Reconciliation were more complicated than first appeared in September 2009. Moreover, it became abundantly clear that additional work not specifically addressed by the FDIC Stipulation was necessary. As a result of the collaborative efforts of the Debtor and the FDIC to define the specific issues and identify affected borrowers, on January 21, 2010, the Debtor filed a *Motion for Approval of Borrower Protocol to Resolve Borrower Issues* [Docket # 927].

In sum, there were more than 16,000 borrowers affected by one of the following four issues:

- Issue 1: *Insurance Proceeds* (referred to as "Loss Drafts") – monies received by TBW from property insurance companies based on payment of individual borrower claims for loss or damage to property, but not paid to the borrower as of the date of the Administrative Freeze.

- Issue 2: *Tax and Insurance Escrow Proceeds* – T&I monies owed, but not paid, to borrowers who had paid off their mortgages as of the date of the Administrative Freeze.

- Issue 3: *Bounced Checks Written on Platinum EDCA* – checks written by TBW to borrowers that were not honored. The total amount of cash required to resolve this issue and the two issues noted above was $25,636,418 (*i.e.*, the cumulative amount owed to borrowers).

- Issue 4: *Net Funded Loans*. As more fully described in the motion, TBW had developed a custom and practice of refinancing certain mortgages, but waiting until the new loan was sold before paying off the old mortgage (rather than paying the old mortgage off at closing). As a result of the events of early August, 2009, 788[24] borrowers with "net funded loans" have two mortgages outstanding because the old loan has not been paid off.

In its motion, the Debtor proposed a protocol for addressing each of the four issues. After a hearing held on February 19, 2010, this Court granted the motion and approved the recommended Borrower Protocol by an Order entered on February 24, 2010 [Docket. No. 1079]. A summary of the resolution of the Borrower Protocol issues is set forth in the Reconciliation Report, discussed *supra* in § IV.H.7.

9. Claims, Demands Made or Litigation Commenced by TBW, or on behalf of TBW, Seeking to Recover Property of the Estate

The Plan Proponents have initiated numerous adversary proceedings seeking to enforce Debtor Claims against non-Debtor parties, in order to enhance the recovery for Holders of Unsecured Claims. The Plan Proponents, if prior to the Effective Date, and the Plan Trustee, if on or after the Effective Date, intend to pursue all Causes of Action and Claim recoveries as appropriate.

As of the date of the filing of this Disclosure Statement, the Plan Proponents have filed numerous demands and lawsuits. As an example, the Creditors' Committee has sued multiple borrowers to enforce the respective notes (10-ap-00126; 10-ap-00127; 10-ap-00128; 10-ap-00129; 10-ap-00130). The Creditors' Committee also has turnover actions pending against Bank of America (10-ap-00100) and Banc of America Securities (10-ap-00096) to recover property of the Debtor's Estate. The Debtor also reached a settlement agreement with Cantor Fitzgerald, Co., which brought close out proceeds under the Master Securities Forward Transaction Agreement into the estate [Docket # 1210]. In addition, a significant amount of money was recovered without a formal adversary proceeding. For example, the Debtor recovered an estimated $2 million in netting payments from termination of hedges.

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[24] Of the 788 "net funded loans," TBW was servicer for 749.

10. Litigation against TBW

a. WARN Act Class Action Adversary Proceeding

On August 24, 2009, certain former employees of TBW, on their own behalf and on behalf of other similarly situated former employees, filed a complaint for damages on account of alleged violations of the WARN Act, resulting from TBW's August 5, 2009 reduction in workforce [Bankruptcy Docket # 2, Adversary Proceeding No. 09-00439]. On January 20, 2010, the Debtor filed a motion to dismiss the WARN Act claims [Adv. Docket # 28]. On April 25, 2010, the WARN Act plaintiffs filed a motion for class certification [Adv. Docket # 47]. Both motions are still pending before the Bankruptcy Court.[25]

The WARN Act plaintiffs seek payment of up to 60 days' wages and benefits to class members as an administrative expense pursuant to § 503(b)(I) of the Bankruptcy Code or, alternatively, with priority under § 507(b)(4) and/or (5) of the Bankruptcy Code (with the balance not entitled to priority payable as a general unsecured claim). The WARN Act plaintiffs have asserted that the class they represent includes more than 2000 similarly situated members.

The Debtor contends that no WARN Act liability exists and disputes that any violation of the WARN Act occurred. However, if the WARN Act plaintiffs were to prevail, there may be a material impact on the estimated recoveries to creditors under the Plan.

b. Fidelity Bond Litigation

Litigation relating to TBW's officer and director policies is discussed below in subsection 17 of this Section IV.H.

c. Joe Johnson

On or about March 1, 2010, Joe Johnson filed a complaint against Debtor and certain other defendants in the Circuit Court for Prince George's County, Maryland for Debtor's post-petition sale of certain REO property. As part of an effort to liquidate its portfolio of REO property, Debtor and Johnson entered into negotiations for the sale of certain property. Debtor asserts, however, that the contract entered between Debtor and Johnson did not close. Accordingly, the property was eventually sold pursuant to 11 U.S.C. § 363 to a third party as part of a larger portfolio of REO property. Johnson, however, seeks recovery for, among other things, unfair or deceptive trade practice, breach of good faith and fair dealing, and misrepresentation for damages allegedly sustained as a result of Debtor's actions surrounding negotiations for the sale of the REO property.

The case was removed to the United States Bankruptcy Court for the District of Maryland, and subsequently transferred to the United States Bankruptcy Court for the Middle

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[25] WARN Act plaintiffs filed a motion to enlarge the Bar Date, which the Court denied [Docket #s 1496 and 1539, respectively].

District of Florida [a.p. 10-00405, Docket # 1]. Debtor's Motion to Dismiss [# 16] and Johnson's Motion to Remand [Docket # 7] are pending.

d. State Regulatory Actions

TBW held mortgage licenses with states nationwide. The events in August 2009, including HUD's suspension of TBW's HUD/FHA origination and underwriting approval, Ginnie Mae's and Freddie Mac's purported terminations of TBW as servicer, and Colonial's freeze of all TBW's accounts, caused TBW to allegedly violate various state regulations for these mortgage licenses.

Upon Confirmation of the Plan, neither the Plan Trust nor the Plan Trust Assets shall be subject to any administrative proceeding, cease and desist order, or civil penalty relating to any alleged pre-petition violation by any Debtor of any law or regulation of any Governmental Authority, including the following:

(i) Administrative Actions; Cease and Desist Orders

TBW's alleged violations of various state regulations, including its failure to fund residential mortgage loans secured by first mortgages on residential property and its failure to pay loan proceeds, caused many states, approximately twenty-four (24), to file administrative actions and/or enter cease and desist orders against TBW. On August 5, 2009, Michigan entered the first Order to Cease and Desist from Violating the Mortgage Brokers, Lenders, and Servicers Licensing Act against TBW. Actions by other states followed. The Debtor, if before the Effective Date, and the Plan Trustee, if after the Effective Date, reserves the right to challenge the relief sought in these administrative proceedings. An overview of these state administrative proceedings and cease and desist orders is set forth in the table below:

State	Date Issued	Action(s) Issued
Arizona	August 20, 2009	Cease and Desist Order
Arkansas	August 18, 2009	Order Summarily Suspending License
Connecticut	August 10, 2009 August 21, 2009 September 25, 2009 October 27, 2009	Temporary Order to Cease and Desist (Origination) Amended and Restated Temporary Order to Cease and Desist Temporary Order to Cease and Desist (Servicing) Temporary Order to Cease and Desist (Bond)
Florida	August 7, 2009 August 10, 2009 August 21, 2009 September 28, 2009	Emergency Order to Cease and Desist Administrative Complaint Second Emergency Order to Cease and Desist Amended Administrative Complaint
Georgia	August 10, 2009	Order to Cease and Desist
Illinois	August 6, 2009 August 21, 2009	Order to Cease and Desist Amended Order to Cease and Desist
Kentucky	August 17, 2009 August 21, 2009 September 8, 2009	Order to Cease and Desist Administrative Complaint Supplemental Order to Cease and Desist
Louisiana	September 17, 2009	Notice of Immediate Suspension
Maryland	August 10, 2009	Summary Order to Cease and Desist
Massachusetts	August 6, 2009	Temporary Order to Cease and Desist

Michigan	August 5, 2009	Cease and Desist Order
Mississippi	August 7, 2009	Cease and Desist Order
Nebraska	August 24, 2009	Cease and Desist Order
New Hampshire	August 11, 2009	Cease and Desist Order
New Jersey	August 6, 2009	Cease and Desist Order
North Carolina	August 7, 2009	Cease and Desist Order
Ohio	September 28, 2009	Order of Summary Suspension
Oregon	September 9, 2009 December 24, 2009 December 30, 2009	Order of Emergency Suspension Final Order of Suspension Order of Mortgage Broker License Revocation
Pennsylvania	August 6, 2009 August 21, 2009	Order Amended Order
Rhode Island	August 20, 2009	Emergency Order Revoking Lender License
South Dakota	November 2, 2009	Notice of Suspension
Tennessee	August 7, 2009	Emergency Cease and Desist Order
Washington	August 7, 2009	Cease and Desist Order
Wisconsin	September 14, 2009 October 2, 2009	Notice of Pending License Revocation Order Revoking Registration

(ii) Civil Penalties

Six states indicated their intent to impose, or have already imposed, a civil penalty on TBW.[26] These states include: Connecticut, Illinois, Kentucky, Maryland, New Hampshire, and Wisconsin. Nearly all of the orders imposing penalties or considering the assessment of penalties were entered prior to August 24, 2009. Wisconsin entered its order post-petition (on October 2, 2009).

The Illinois Department of Financial and Professional Regulation, Division of Banking, assessed two $20,000 fines against TBW. These fines were recovered through TBW's surety bonds.

Kentucky's Department of Financial Institutions seeks to recover a total of $220,694.27 in fines and restitution. A hearing was held on March 25, 2010. Subsequent to the hearing, Hearing Officer Michael Head transmitted recommended orders to Commissioner Charles A. Vice. These recommended orders, consistent with Kentucky's Department of Financial Institutions' objective, assess a fine in the amount of $200,000.00 and restitution for consumer harm in the amount of $20,694.27. TBW has filed exceptions to these recommended orders. Final orders resolving these administrative actions have not yet been entered by Commissioner Vice.

Connecticut's civil penalty has not been affirmatively assessed because the number of alleged violations by TBW has not been determined; however, the cease and desist order indicates that the Commissioner of the State of Connecticut's Department of Banking has the authority to impose a civil penalty, not to exceed $600,000.00, for various alleged violations.

[26] TBW reserves all of its defenses to the imposition of such penalties, including the effect of the automatic stay under § 362 of the Bankruptcy Code.

Similar to Connecticut, the orders and administrative actions instituted in Maryland and New Hampshire indicate that penalties may be imposed, but the total amount assessed has not been provided. The Maryland Commissioner of Financial Regulation may impose a civil penalty up to $1,000.00 for each violation of Maryland Mortgage Lender Law, up to $1,000.00 for each violation of a regulation, and up to $5,000.00 for each subsequent violation of these laws or regulations. Moreover, pursuant to FI § 11-517(c), the Maryland Commissioner may impose a civil penalty up to $5,000.00 for each violation of the Maryland Mortgage Lender Law and up to $5,000.00 for each violation of a regulation promulgated pursuant to the Maryland Mortgage Lender Law.[27]

The Wisconsin Department of Financial Institutions, Division of Banking's Order, which was entered after TBW sought Chapter 11 relief, provides that the Division may assess a forfeiture of not more than $2,000.00 for each violation.

(iii) Settled Actions

TBW negotiated settlements with Arizona, Florida, Michigan, Oregon, and Pennsylvania, thereby resolving the administrative actions and/or cease and desist orders entered against TBW. Civil penalties were not assessed, but TBW's licenses were surrendered or revoked. The states reserved their right to pursue additional actions or reinstitute the underlying actions if TBW were to violate the terms and conditions set forth in the consent orders or other state laws, rules, or regulations.

Settlement negotiations are actively underway with several other states; however, most states are reluctant to agree to a consent order before all outstanding consumer issues have been resolved.

(iv) Consumer Complaints

Nationwide consumers filed complaints against TBW with their respective states' financial institutions. Complaints were filed pre- and post-petition and continue to be filed with financial institutions today. Consumer complaints allege, *inter alia*, (1) that checks were issued by TBW, which consumers attempted to process, but would not clear because of insufficient funds; (2) late fees were inappropriately assessed; (3) consumers were required to make mortgage payments to TBW, as well as a third party servicer to avoid negative credit reporting; and (4) that TBW was inappropriately reporting consumers to credit bureaus because of consumers' alleged failure to pay mortgages or their alleged failure to pay in a timely manner.[28]

It is difficult to identify all of the consumer complaints and discern the exact dates they were filed because often these complaints were not served directly on TBW. Rather, the complaints were filed with various financial departments nationwide and brought to the

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[27] The New Hampshire Order states that TBW shall show cause why penalties in the amount of $2,500.00 for each violation should not be imposed against it.

[28] A majority of these issues involve net-funded loans or other matters that were addressed in the Reconciliation Report.

company's attention through state regulators at a later point in time. To date, the Debtor is aware of approximately 60 consumer complaints in Connecticut, Louisiana, Kentucky, Arizona, Tennessee, New Hampshire, Alabama, Arkansas, and Illinois. However, because Connecticut, Maryland, and New Hampshire have not established the number of alleged violations committed by TBW and because the exact universe of consumer complaints is unknown, it is impossible to calculate the exact amount of pre-petition civil penalties that could be assessed against the Debtor.

11. Asset Sales

a. REO Sale

Soon after the Petition Date, the Debtor determined that a bulk sale of certain of its REO properties, referred to as the REO Sale, was appropriate to facilitate an orderly wind-down and liquidation that would maximize value for the estate. To that end, the Debtor commenced negotiations with a number of prospective purchasers, and on October 21, 2009, the Debtor and Selene REO entered into a Real Estate Purchase and Sale Agreement, referred to as the REO Sale Agreement. To ensure maximum value, the REO Sale Agreement allowed the Debtor to continue selling REO in the normal course of business and to exclude such REO from the REO Sale Agreement. Further, the REO Sale Agreement was subject to higher or better offers to be received at an auction. Also on October 21, 2009, the Debtor filed a motion requesting that the Bankruptcy Court, *inter alia*, approve bidding procedures to govern an auction and approve the REO Sale. By Order dated November 10, 2009 [Docket # 621], the Bankruptcy Court established bidding procedures and the terms of an auction for the REO Sale.

On December 11, 2009, the Debtor conducted an auction in accordance with the bidding procedures. In total, the Debtor offered 1046 REO properties at the auction, and, pursuant to the REO Sale Agreement, Selene REO's aggregate "stalking horse" bid was $74,222,849. Two other bidders, DLJ Mortgage Capital, Inc. and William Blake Street LLC, appeared at the auction. After eight (8) rounds of bidding, Selene REO was the winning bidder with a bid amount of $81,222,849.

On December 15, 2009, the Bankruptcy Court held a hearing on the motion to approve the REO Sale, and by Order dated December 17, 2009 [Docket # 802], the Bankruptcy Court overruled all outstanding objections to the motion and approved the REO Sale. Further, the Bankruptcy Court provided for a Supplemental Sale Hearing held on January 8, 2010, to give certain parties further opportunity to object to the motion. By Order dated January 11, 2010 [Docket # 859], the Bankruptcy Court overruled the only additional objection filed and finally approved the REO Sale. Over the course of four (4) separate closings in December, January, and February of 2010, the Debtor and Selene REO ultimately closed on the sale of 901 individual REO properties for an aggregate purchase price of approximately $67,307,396.[29]

[29] The purchase price differs from the final bid because, among other reasons, certain properties fell out of the bulk sale due to title and related issues.

b. MBS Sale

TBW owned residual and other interests in seven trusts that issued securities backed by mortgage loans. The Debtor offered to sell its interests in the mortgage-backed securities to AG Mortgage, the stalking horse bidder, in a § 363 sale for $8,760,000, subject to higher and better offers. On April 22, 2010, the Debtor conducted an auction in accordance with bidding procedures approved by the Bankruptcy Court. In addition to AG Mortgage, two other bidders appeared at the auction: (1) Centerbridge Credit Partners L.P. and (2) Diocese of Rockville Centre Lay Pension Plan. After seven (7) rounds of bidding, AG Mortgage was the winning bidder with a bid of $9,675,000. The Bankruptcy Court held a hearing on the Debtor's motion to approve the MBS Sale on April 27, 2010, and by Order dated April 27, 2010 [Docket # 1351], the Bankruptcy Court approved the MBS Sale. The sale closed on April 28, 2010, for a total purchase price of $9,675,000. The FDIC had asserted a Claim to these proceeds, and that Claim was released by the FDIC as part of the negotiations leading to the FDIC Settlement Agreement.

c. Sale of Reverse Mortgages

TBW owned twenty-three reverse mortgages with a collective UPB of approximately $2,763,817.89.[30] The Debtor's support staff marketed the Reverse Mortgages to previous purchasers of reverse mortgages from TBW and potential purchasers known by the Debtor's support staff to be in the reverse mortgage business. Upon completion of the competitive bidding process, the Debtor accepted an offer made by Urban Financial Group, Inc. The parties entered into a Mortgage Loan Purchase and Sale Agreement dated May 25, 2010 by which Urban Financial Group, Inc. agreed to pay $1,135,178.30 for the Reverse Mortgages. On June 30, 2010, the Court approved a § 363 sale of the Reverse Mortgages pursuant to the terms of the Mortgage Loan Purchase and Sale Agreement [Docket # 1642].

d. Ordinary Course REO Sales

In addition to the bulk sale, in the period from August 3, 2009 through August 31, 2010, the Debtor has sold 1,100 properties in the ordinary course, resulting in net proceeds of $98.0 million, of which approximately $44.3 million has been reimbursed to the Estate for advances on the AOT and Overline and homes owned by TBW.

12. Schedules and Statements of Financial Affairs; Claims Bar Dates and Aggregate Claims Asserted

The Debtor filed a Summary of Schedules and a Statement of Financial Affairs on October 20, 2009 [Docket #s 481 and 482]. On January 12, 2010 and January 26, 2010, TBW amended certain of its Schedules [respectively, Docket #s 869 and 949].

On February 22, 2010, the Bankruptcy Court entered an Order establishing bar dates for filing proofs of claim and approving the form and manner of notice thereof (General Bar Date Order) [Docket # 1067]. Pursuant to the General Bar Date Order, the deadline for both non-

[30] UPB as of April 27, 2010.

Governmental Authorities and Governmental Authorities to submit Proofs of Claim in these Chapter 11 Cases was set at June 15, 2010. Subject to certain limited exceptions contained in the Bankruptcy Code and in the General Bar Date Order (including with respect to Claims arising from the rejection of executory contracts or unexpired leases),[31] all Proofs of Claim filed against the Debtor were required to be submitted by the General Bar Date. Notice of the General Bar Date was sent to all parties as required in the General Bar Date Order, including but not limited to: (i) all known Creditors; (ii) all parties to executory contracts and unexpired leases; (iii) all parties to litigation; and (iv) all current and former recent employees. Notice of the General Bar Date was also published in The Florida-Times Union and The Wall Street Journal. The General Bar Date Order did not affect the previous deadlines set for HAM and REO Specialists, which remained April 6, 2010 for non-Governmental Authorities and May 4, 2010 for Governmental Authorities.

As of July 1, 2010, 3,257 Proofs of Claim, asserting liquidated Claims totaling approximately $9,132,252,053 in the aggregate against the Debtor, had been filed.[32]

As of September 20, 2010, Administrative Expense Claims (exclusive of DIP Financing, Professional Claims (including Claims for substantial contribution), and Claims asserted in the WARN Act litigation discussed *supra* at § IV.H.10.a.) of approximately $1,300,000 had been asserted against the Estate of TBW, including:

(i) $27,778.81 asserted by Dell Marketing L.P. [Docket # 583];

(ii) $68,392.61 asserted by Premier Corporate Centre, LLC [Docket # 580];

(iii) $993,836.54 asserted by AT&T Corp. [Docket # 1114] of which $100,000 has previously been paid by the Debtor in accordance with an Order of the Bankruptcy Court [Docket # 1540];

(iv) $45,437.96 asserted by Hill Office Park [Docket # 1489]; and

(v) $159,500 asserted by Michael C. Cabassol [Docket # 1892].

No Order has been entered establishing a bar date for filing Administrative Expense Claims. The Debtor has generally been paying undisputed Administrative Expense Claims in the ordinary course post-petition. However, upon establishment of the Administrative Bar Date, the Debtor expects that additional Administrative Expense Claims may be filed.

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[31] The Court ordered that proofs of claim for rejection damages for executory contracts or unexpired leases shall be filed by the later of: (i) 30 days after the effective date of rejection, or (ii) the General Bar Date [Docket # 1067].

[32] The Plan Proponents make no admission as to the timeliness or merits of any Filed Proof of Claim and, on behalf of themselves and the Plan Trustee, reserve all rights to object to all Proofs of Claim.

In sum, filed Claims against the Debtor as of July 1, 2010 (exclusive of DIP Financing, Professional Claims (including Claims for substantial contribution), and Claims asserted in the WARN Act Litigation) were as follows:

Claim Type [A]	TBW #	TBW $ Amount	HAM #	HAM $ Amount	REQ #	REQ $ Amount	TOTAL #	TOTAL $ Amount
Secured	23	$5,360,192,898	1	$175,182,045	1	175,182,045.38	25	$5,710,556,989
Administrative [B]	5	$1,294,446	0	$0	0	$0	5	$1,294,446
Priority Tax	91	$1,967,480	5	$14,586	1	18,047.13	97	$2,000,113
Priority Non-Tax	1472	$14,012,080	0	$0	0	$0	1472	$14,012,080
Unsecured	1,629	$3,754,949,149	2	$276,702	6	1,428,929.63	1637	$3,756,654,781
Total	3,220	$9,132,416,053	8	$175,473,333	8	$176,629,022	3236	$9,484,518,408

Notes:
[A] Classification of the Claims are based on Claims Filed. As of September 20, 2010, the Debtor has not confirmed the validity of such Claims.
[B] TBW figure does not include DIP Financing, Professional Claims (including Claims for substantial contribution), and Claims asserted in the WARN Act litigation.

13. Abandonment of Certain Non-Essential Records and Property

On September 25, 2009, the Debtor filed a motion requesting authority to abandon certain non-essential records, computer equipment, furniture, and fixtures [Docket #s 330 and 414]. The Court entered an Order approving Debtor's abandonment, subject to certain minor conditions raised in Freddie Mac's objection [Docket # 397] and Dell Marketing, L.P.'s objection [Docket # 450].

14. Rejection of Leases and Executory Contracts

At the time of filing of this Disclosure Statement, the Debtor has filed eight motions seeking authority to reject certain non-residential real property leases, equipment leases, and/or executory contracts in order to avoid burdening TBW's estate with any unnecessary post-petition obligations [Docket #s 146, 227, 818, 898, 1274, 1275, 1276[33], 1353]. The Bankruptcy Court has approved each of the Debtor's rejection motions [Docket #s 516, 514, 984, 1468]. Pursuant to the Rejection Orders, the Debtor has rejected hundreds of leases and executory contracts. On May 6, 2010, the Debtor obtained an order to extend the deadline to assume or reject its Ocala headquarters and certain other leases until confirmation of its Chapter 11 plan. [Docket # 1408].

Moreover, the Debtor sought and obtained approval to reject a burdensome pre-petition executory Real Estate Purchase and Sale Agreement with Centurion [Docket #s 532 and 623]. The contract with Centurion, entered into on or about August 21, 2009, proposed that TBW sell

[33] The motions appearing at Docket #s 1274, 1275, and 1276 were granted at the hearing on May 7, 2010.

to Centurion certain REO owned by TBW that TBW wished to sell as part of a bulk sale pursuant to § 363 of the Bankruptcy Code. The Debtor conducted extensive negotiations with Centurion to convert the agreement with Centurion into a "stalking horse" bid to sell the REO pursuant to § 363. Through the course of the negotiations, however, the Debtor determined, in its business judgment, the agreement with Centurion was not in the best interest of the Estate. From the beginning of the negotiations, Centurion expressed concern regarding the price of the REO, and the amount Centurion indicated it would be willing to pay dramatically decreased. The agreement with Centurion called for an unrealistic closing date as well as indemnities, warranties, and repurchase obligations. It became clear that Centurion's funding sources, not Centurion, controlled the amount that Centurion would be able to pay for the REO. Further, in connection with the agreement with Centurion, TBW had also entered into 1) a Master Fee Agreement with certain individuals whereby such individuals would receive "intermediary fees" upon the sale of the REO, and 2) an REO Bulk Package Sale/Escrow Instructions. The Debtor determined both contracts to be burdensome to its estate and obtained approval to reject them.

The Debtor also sought and obtained approval to reject an executory Reverse Mortgage Subservicing Agreement with Compu-Link Corporation d/b/a Celink [Docket #s 593 and 686]. Under the executory contract, Celink acted as servicer for approximately twenty-three reverse mortgages. The Debtor, however, had previously sought and obtained approval to transfer all servicing rights with respect to those reverse mortgages to Selene Financial LP to assist in the orderly liquidation of the estate [Docket #s 537 and 622].

15. Extension of Exclusivity

By Order dated February 4, 2010, the Bankruptcy Court extended the 120 day exclusivity period during which only the Debtor may file a Chapter 11 plan through June 21, 2010, and the 180 day exclusivity period during which the Debtor solicits acceptances of a Chapter 11 plan through August 20, 2010 [Docket # 997]. On June 20, 2010, Debtors' filed a second motion to extend the exclusivity period during which only the Debtor may file a Chapter 11 plan through September 21, 2010, and the 180 day exclusivity period during which the Debtor solicits acceptances of a Chapter 11 plan through November 23, 2010 [Docket # 1573]. [Order entered on August 4, 2010, Docket # 1760.]

On September 21, 2010, before expiration of the Exclusive Filing Period, the Debtors and the Creditors' Committee filed the Plan [Docket # 1966] and the Debtors filed this Disclosure Statement with respect thereto.

16. Cash Position

The Cash Position of Debtors is set forth in the Liquidation Analysis, attached hereto as Exhibit C.

17. Insurance Assets

The Debtors' Assets include their rights under certain insurance policies that may respond to a variety of Claims. These coverages include director & officer liability coverage, errors & omissions and fidelity coverage, comprehensive general liability coverage, and state

licensing authority surety bonds. Pursuant to the terms of the Plan, the Debtors will file lists of Designated Insurance Policies and Designated Non-Executory Insurance Policies as exhibits to the Plan Supplement. The Debtors do not know the extent to which any such insurance will be available to respond to particular Claims. Upon information and belief, apart from the payment of defense costs to individual insureds under the policies, proceeds of the policies have not been earmarked to any particular Claims, groups of Claims or classes of Claims.

Post-Petition, TBW made a Claim for $90 million under its fidelity insurance bond provided by Lloyd's of London. In response, Lloyd's filed a declaratory judgment action in these Chapter 11 Cases seeking to rescind the coverage on the ground that TBW had knowledge of the fraud on which the Claim was based when TBW reapplied for insurance in 2007 and 2008. The complaint seeks a declaratory judgment on the fraud allegation. TBW through the Creditors' Committee is defending that litigation.

18. Payments to Creditors Within 90 Days of Petition Date

As reflected in the Debtors' Statements of Financial Affairs, as amended [Docket #s 481, 482, 869, and 949], the aggregate number and amount of payments by each Debtor to creditors within the 90 days immediately preceding the Petition Date are as follows:

Debtor	# of Payments	Approximate $ Amount
TBW	9,343	$114,139,712[34]
Home America Mortgage	0	0
REO Specialists	3	$53,531.42

The amounts set forth in the foregoing table are for informational purposes only and do not constitute a statement or estimate as to the existence or value of any valid Avoidance Action relating to any of the foregoing transfers. Whether a transfer gives rise to a valid Avoidance Action, and whether any such Avoidance Action has any realizable value for the Debtors' Estates, will depend on a number of factors not discussed herein, including (but not limited to) (a) for preference actions, the extent to which the Transferee has an unavoidable perfected security interest in collateral and the existence of defenses (including that the challenged transfer was made in the ordinary course of business or is protected by statutory "safe harbor" provisions, e.g., in § 546(e)-(g) of the Bankruptcy Code), and (b) for fraudulent conveyance actions, whether the Debtor received reasonably equivalent value and was insolvent or undercapitalized at the time of the payment.

[34] This number reflects transfers from TBW's operating accounts and does not reflect transfers that occurred from TBW's servicing related accounts.

19. EPD Claims and Breach of Warranty Claims

EPD Claims and Breach of Warranty Claims both constitute General Unsecured Claims against the Debtor. EPD Claims are triggered by a default by the underlying borrower shortly after a sale of a mortgage loan, and under certain loan sale transactions to which TBW was a party, gave rise to a Claim. In contrast, Breach of Warranty Claims are claims asserted against the Debtor for breach of a representation or warranty relating to the sale of mortgage loans, generally that pertain to the characteristics of the mortgage loans. Determining whether the Debtor breached a representation or warranty in a loan sale agreement would entail a detailed loan-by-loan assessment of the specific allegations, which would necessarily entail a degree of subjectivity because some of the industry-standard representations and warranties are not susceptible to clear, objective assessment. In addition, secondary loan buyers might assert in their proofs of claim that they would not be able to liquidate their Breach of Warranty Claims fully for years, since there often would be no reason to expend time and resources ferreting out potential breaches of representations and warranties on a given loan unless and until the borrower defaulted. And even if it were possible to identify loans for which a breach of a representation or warranty occurred, assessing the damages that resulted from the Debtor's inability to repurchase the loans would entail difficulties, e.g., whether the amount of a "loss" realized by a claimant was the result of the Debtor's failure to repurchase loans or some combination of deteriorating market conditions, how the claimant dealt with the loan, and the "value" of the loan at a historical moment in time. In estimating Breach of Warranty Claims, the Plan Proponents or the Plan Trustee will have to make assumptions as to (i) the likelihood there had been material breaches of representations or warranties in connection with a given sale of loans (hereinafter referred to as the "incidence of breach"), (ii) the likelihood a Breach of Warranty claimant would ultimately suffer a loss as a result of the Debtors' failure to repurchase loans for which there had been a material breach of representations or warranties (referred to as the "loss frequency"); and (iii) the presumed amount of any such losses (referred to as the "loss severity").

Under the Plan, EPD Claims and Breach of Warranty Claims are treated as a General Unsecured Claims. The Plan Proponents, if prior to the Effective Date, and the Plan Trustee, if on or after the Effective Date, shall have the right to estimate EPD Claims and Breach of Warranty Claims, just as they have the right to estimate Claims generally. Further, they will determine whether a party or multiple parties have assert EPD Claims or Breach of Warranty Claims against the Debtor on account of the same loans, and object to such Claims as duplicative and/or to seek judicial determination of the parties' standing to assert such Claims under the governing documents and applicable law.

V. GLOBAL SETTLEMENT WITH THE FDIC

The Debtor proposes in the Plan to effectuate a settlement it has reached with the FDIC. This settlement offers the Debtors substantial advantages to resolving the disputes that facilitate their ability to propose a Plan.

First, litigating the issues relating to the settlement described below in this Section V would involve complexity, inherent delay and substantial expense. This settlement permits

administration of the Plan free from litigation delay, expense and uncertainty that would delay and reduce distributions to Creditors. In light of the anticipated recoveries to Creditors in these Chapter 11 Cases, the Debtors determined that the alternatives to settlement through a plan would be prohibitively expensive and would substantially decrease recoveries to Unsecured Creditors. The Debtor determined that, after reviewing the merits of its legal position, it was not likely to achieve in any material respect more by litigation to a judicial resolution than it would by settlement. The Debtor believes that the compromise reflected in this settlement is fair and reasonable, and in the best interests of the Debtors, the Debtors' Estates and its Creditors. Thus, the settlement with the FDIC benefits all of the Debtors' Estates and all Unsecured Creditors.

Second, as with any negotiated compromise, settlement avoids uncertainty and delay. Further legal discovery, and judicial resolution of these disputes, would be prohibitively expensive for all involved.

For the foregoing reasons, among others, the Debtors determined it was prudent to pursue comprehensive settlement with the FDIC. The following summary explains how the settlement with the FDIC impacts the Plan:

A. Summary of FDIC Settlement Agreement

As more fully described in Section IV.D.1 of this Disclosure Statement, TBW had several financial arrangements with Colonial pre-petition: the COLB Facility, the AOT Facility, the Overline Facility, and related custodial, servicing and banking arrangements, among others. TBW's collapse, coupled with the Administrative Freeze of TBW's accounts at Colonial, created numerous problems for the borrowers, TBW, and the FDIC. As a result, as more fully described in Section IV.H.7, the FDIC and the Debtor entered into the FDIC Stipulation, which, among other things, sought to address the questions regarding the nature and ownership of the mortgages and other related Assets under TBW's management. During the course of this reconciliation process, the Debtor and the FDIC developed differing positions regarding how certain of these issues should be resolved, including which party had rights in which Assets. Through ongoing negotiations, the Debtor and the FDIC (as receiver for Colonial) resolved all issues between the parties in the FDIC Settlement Agreement, the material terms of which are summarized below.

The FDIC filed a Claim against the Debtor asserting a Claim in the amount of $3,253,622,510. That Claim amount is by far the largest Claim filed in these Chapter 11 Cases. The Debtors believe that the FDIC is the largest unsecured Creditor of the Debtor, and therefore its support of the Debtors' Plan is a significant achievement for these Cases. Without a compromise with the FDIC, the Debtors would be forced to expend significant resources on protracted litigation, which would likely result in a significantly diminished Distribution to Creditors. That is, without the cooperation of the FDIC, the Debtor believes there can be no plan of liquidation on terms as favorable to the Debtors' Estates as the current Plan.

The FDIC Settlement Agreement contains three stages of execution. First, certain provisions become effective upon execution of the FDIC Settlement Agreement. Others become effective upon an Order of the Bankruptcy Court approving the FDIC Settlement Agreement,

herein referred to as the "FDIC Settlement Date."[35] Finally, certain provisions of the FDIC Settlement Agreement become effective upon the Effective Date of the Plan. The mutual provisions that have become effective, or will become effective in the future, are summarized below.[36]

1. TBW Whole Loans

As of the date of execution of the FDIC Settlement Agreement, the FDIC released any and all interest it had in mortgage loans serviced by Selene Residential, approximately 910 loans, totaling approximately $125 million of UPB. The FDIC turned over to the Debtor all promissory notes, mortgages and other collateral documents relating to the TBW Whole Loans.

2. AOT Facility

Effective upon the FDIC Settlement Date, the FDIC conveyed to the Debtor all of the FDIC's right, title and interest in and to the AOT Loans, and was granted by the Debtor a first-priority perfected security interest in the AOT Loans and the AOT Reserve and the proceeds thereof to secure the AOT pre-petition balance. The FDIC shall not object to any sale of the AOT Loans by the Debtor or the Plan Trust under § 363 of the Bankruptcy Code, except as to the adequacy of price and at such sale may credit bid its debt up to the AOT pre-petition balance. The Debtor or the Plan Trustee shall oversee servicing the AOT Loans from the FDIC Settlement Date until sold under market terms. All proceeds received on the AOT Loans from time to time (including P&I payments and REO sale proceeds) shall be applied to pay the following claims, in the following priority, as more fully set forth in Section 1.3 of the FDIC Settlement Agreement:

a. Repayment of all of the Debtor's out of pocket costs incurred from and after August 16, 2010 directly related to the Debtor's oversight of the servicing of the AOT Loans and sale of the AOT loans;

b. Payment of a 1.0% disposition fee to the Debtor based upon net realized value from AOT Loans disposed of after the transfer of the AOT Loans from the FDIC to the Debtor; provided, however, that for the purpose of this subparagraph b., "net realized value" shall mean gross proceeds received from the sale or liquidation of loans less transaction costs related to the sale of such loans;

c. Funding of the AOT Reserve, which shall be used to fund servicing advances on the AOT Loans and the Debtor's servicing fees and out of pocket costs related to the AOT Loans. The terms of the AOT Reserve balance are further discussed in Section 1.3(a)(iii) of the FDIC Settlement Agreement;

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[35] The FDIC Settlement Agreement refers to this date as the "AOT Effective Date."

[36] A copy of the FDIC Settlement Agreement, as amended by the First Amendment thereto, will appear as an exhibit to the Plan Supplement and should be consulted as to the precise terms of the FDIC Settlement Agreement.

d. Repayment of any servicing advances made prior to September 8, 2009 by the Debtor on the AOT Loans or any other loans that were "on the AOT" and were transferred by the Debtor to RoundPoint and which have been liquidated after September 8, 2009 (to the extent not previously recovered by or on behalf of the Debtor). Such amount is currently estimated to be $5,734,668;

e. Repayment to the FDIC of $5,744,885, which represents the amount of the escrow shortfalls in the Debtor's Colonial accounts related to the COLB Loans, the AOT Loans and the Overline Loans;

f. Repayment to the FDIC of any advances (to the extent not previously recovered) made by the FDIC from September 8, 2009 through the date of transfer of oversight of servicing of the AOT Loans to the Debtor. Such amount is currently estimated to be $5,867,633;

g. Repayment to the FDIC of the outstanding AOT Balance; and

h. Payment to the Debtor of any remaining funds. The Debtor does not estimate that it will recover anything.

3. Overline Facility

Also as of the FDIC Settlement Date, the Debtor was deemed to have full legal and beneficial title to all loans assigned to the Overline Facility. The FDIC maintains its first-priority perfected security interest in the Overline Loans to secure its Claim and retains possession of the Overline Loans. The FDIC shall relinquish possession of the notes and mortgages evidencing the Overline Loans as and when the Overline Loans are sold by the Debtor or the Plan Trust or the date the Overline balance is paid in full (as of the execution of the FDIC Settlement Agreement, such balance was approximately $13.8 million). If the Debtor or the Plan Trust sells the Overline Loans at one or more 363 sales, the FDIC will not object to the sale(s) or credit bid at the sale(s). The Debtor or the Plan Trust shall oversee servicing the Overline Loans from the FDIC Settlement Date until sold. Until the Overline pre-petition balance is paid in full, all cash payments received on the Overline Loans from time to time (including P&I payments and loan sale proceeds) shall be applied to pay the following Claims, in the following priority, as more fully set forth in Section 1.4 of the FDIC Settlement Agreement:

a. Repayment of all of the Debtor's out of pocket costs incurred from and after August 16, 2010 directly related to the Debtor's oversight of the servicing of the Overline Loans and sale of the Overline loans;

b. Payment of a 1.0% disposition fee to the Debtor based upon net realized value from the Overline Loans disposed of after the transfer of the Overline Loans from the FDIC to the Debtor;

provided, however, that for the purpose of this subparagraph b., "net realized value" shall mean gross proceeds received from the sale or liquidation of loans less transaction costs related to the sale of such loans;

c. Funding of the Overline Reserve, which shall be used to fund servicing advances on the Overline Loans and the Debtor's servicing fees and out of pocket costs related to the Overline Loans. The terms of the Overline Reserve balance are further discussed in Section 1.4(a)(iii) of the FDIC Settlement Agreement;

d. Repayment of any servicing advances made prior to September 8, 2009 by the Debtor on the Overline Loans or any Overline Facility related loans that were transferred to RoundPoint and subsequently liquidated after September 8, 2009 (to the extent not previously recovered by or on behalf of the Debtor). Such amount is currently estimated to be $1,706,751.00;

e. Repayment to the FDIC of any advances (to the extent not previously recovered) made by the FDIC from September 8, 2009 through the date of transfer of oversight of servicing of the Overline Loans to the Debtor. Such amount is currently estimated to be $1,181,879;

f. Repayment to the FDIC of the outstanding Overline Balance; and

g. Payment to the Debtor of any remaining funds. The Debtor does not estimate that it will recover anything.

4. Ocala Funding Loans

As of the FDIC Settlement Date, the FDIC disclaimed any interest in the 160 loans related to Ocala Funding described on Exhibit L to the FDIC Settlement Agreement. As of June 30, 2010, the UPB of these loans is approximately $31,195,113. Moreover, the FDIC has no objection to the Debtor assuming responsibility for overseeing the servicing of these loans.

5. COLB Facility

Pursuant to § 1123(a)(5) of the Bankruptcy Code, the Debtor shall on the Effective Date convey to the FDIC the Debtor's legal title to the COLB Loans, having a UPB of $577,571,094.79 as of June 30, 2010, free and clear of all Liens, subject to the FDIC's 99% participation interest. As a result, the FDIC will be vested with legal title to the COLB Loans and will be permitted to sell or dispose of the COLB Loans on an arms-length basis. The FDIC shall pay to the Plan Trust 1% of the Net Proceeds of such disposition, or any other proceeds collected with respect to the COLB Loans after the date of the FDIC Settlement Agreement. In addition to the transfer of the COLB Loans, the Debtor shall also transfer all mortgage servicing rights without restriction to the FDIC.

6. REO

On the Effective Date, in exchange for the treatment specified in the FDIC Settlement Agreement, the FDIC will be deemed to have disclaimed its interest, if any, in any owned real estate titled in the name of the Debtor related to the AOT Loans for which the FDIC does not hold valid mortgage liens properly perfected and which are not avoidable under chapter 5 of the Bankruptcy Code (referred to as the AOT REO), as well as the proceeds of all past or future sales of the AOT REO, and shall execute all documents and take other steps as may be reasonably necessary to transfer its interest, without representation or warranty, in the AOT REO to the Debtor. In addition, as of the Effective Date, in exchange for the treatment specified in the FDIC Settlement Agreement, the FDIC will be deemed to have disclaimed its interest, if any, in any owned real estate titled in the name of the Debtor related to the Overline Loans (referred to as the Overline REO). As of June 30, 2010, the loans associated with AOT REO and Overline REO had a total UPB of $124,671,763.18. Transfer of 51 of the 1,572 specific REO properties occurred on the FDIC Settlement Date, which REO properties are marked by an * on Exhibit J to the FDIC Settlement Agreement.

7. TBW Funding Company II LLC Account

TBW Funding II is a special purpose entity that is a wholly-owned subsidiary of TBW. At the Petition Date, it maintained a deposit Account No. 8037244491 with Colonial. As more fully set forth in Section 1.7 of the FDIC Settlement Agreement, on the Effective Date, the FDIC will release its hold on the balance of the account, which is approximately $13.8 million.

8. BB&T Funds

TBW maintained corporate operating accounts on deposit at BB&T, aggregating approximately $13.8 million as of April 30, 2010 (referred to as the BB&T Funds). The FDIC will continue to have control over the BB&T Funds for a period of eight months after the Effective Date (referred to in the FDIC Settlement Agreement as the "Extension"). Upon mutual written agreement of the FDIC and the Debtor, payments will be made from the BB&T Funds to (i) borrowers harmed by the Debtor and Colonial as a result of the Debtor's insolvency, as such borrower issues are more fully described in the Reconciliation Report and the Debtor's *Motion for Approval of Protocol to Resolve Borrower Issues* [Docket No. 927], approved by the Bankruptcy Court by Order entered on February 24, 2010 [Docket No. 1079] or (ii) investors to the extent any of the BB&T Funds are determined by the FDIC and the Debtor to be based on loans funded by an investor that did not close. Upon expiration of the Extension and in consultation with the FDIC, the remaining BB&T Funds will be transferred to the Debtor's Estate, provided that the Plan shall require that such funds be used by the Debtor or Plan Trustee for the same express purposes until such borrower and investor issues are resolved. The Plan shall further provide that the Debtor's or Plan Trustee's requirement to use BB&T Funds for the express purposes described above shall terminate three (3) years from the Effective Date, whereupon any remaining funds shall be available for general administration under the Plan.

9. Payments from Certain TBW Accounts at Colonial

By the Effective Date, all custodial accounts relating to TBW's servicing operations at Colonial and TBW's operating accounts at Colonial will be distributed in accordance with the Reconciliation Report.

As soon as reasonably practicable after the Effective Date, the FDIC will remit to the Debtor all funds on deposit in the REO Proceeds Clearing Account that the Reconciliation provides are to be allocated to the Debtor, which are estimated at over $1.5 million. In addition, funds in the Custodial Funds Clearing Account, estimated at over $5.6 million, will be distributed as follows: (a) to the extent related to COLB Loans, paid directly to the FDIC; (b) to the extent related to AOT Loans or Overline Loans, distributed in accordance with the priority scheme described in subsections (2) and (3), respectively, of this Section V.A, and (c) to the extent related to Ocala Loans, TBW Whole Loans or the proceeds from the sale of any REO, distributed to the Debtor or the Plan Trust.

10. FDIC Substantial Contribution Claim

Also on the Effective Date, the FDIC shall be granted a Claim in the amount of $1.75 million having the priority set forth under § 503(b)(3)(D) of the Bankruptcy Code in recognition of its substantial contribution to these Chapter 11 Cases through the Reconciliation. The FDIC Substantial Contribution Claim recognizes the extent to which the FDIC's actions made possible the efforts of the Debtors, the CRO, and the Creditors' Committee to achieve an orderly liquidation of TBW that maximized the recovery for all Creditors.

11. FDIC GUC Claim

Under the Plan, the FDIC shall have an Allowed Unsecured Claim in the amount set forth in Section 1.9 of the FDIC Settlement Agreement (referred to as the FDIC GUC Claim).

12. FDIC Payment to Trade Creditors

The FDIC shall, as a condition of confirmation of the Plan, pay over to the Liquidating Trust for the exclusive benefit of Trade Creditors an amount equal to the Trade Creditor Recovery as such term is defined in Section 1.10 of the FDIC Settlement Agreement (which is capped at $15 million).

13. Colonial Receivership

Upon confirmation and consummation of the Plan, the Debtor shall withdraw all claims it filed in the Colonial Receivership.

14. General Release by FDIC

The FDIC Settlement Agreement (Section 2.2) provides for release by the FDIC of the Debtor and related Persons and Entities, as more fully described in Section VI.H.4 of this Disclosure Statement.

15. General Release by TBW

The FDIC Settlement Agreement (Section 2.1) provides for release of the FDIC, in its capacity as receiver for Colonial and in its corporate capacity, as more fully set forth in Section VI.H.3 of this Disclosure Statement.

VI. THE PLAN

The following summary of certain principal provisions of the Plan is qualified in its entirety by reference to the Plan, which is attached as Exhibit A to this Disclosure Statement. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan, the Plan Trust Agreement, the FDIC Settlement Agreement or the documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statements of such terms and provisions. The Plan does not effect a substantive consolidation of the Debtors.

A. Classification of Claims and Interests

The categories of Claims and Interests listed below classify Claims (except for Administrative Expense Claims (including DIP Facility Claims) and Priority Tax Claims) and Interests for all purposes, including voting, confirmation and distribution pursuant to the Plan. As provided in § 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims shall not be classified for the purposes of voting or receiving distributions under the Plan. Rather, all such Claims shall be treated separately as unclassified Claims on the terms set forth in Article 3 of the Plan. Consistent with § 1122 of the Bankruptcy Code, a Claim or Interest is classified by the Plan in a particular Class only to the extent the Claim or Interest is within the description of the Class, and a Claim or Interest is classified in a different Class to the extent it is within the description of that different Class.

CLASS	DESCRIPTION	STATUS
Unclassified Claims Against All Debtors		
n/a	Administrative Expense Claims and Priority Tax Claims (§ (507(a)(8)) against all Debtors	Unimpaired - not entitled to vote
Claims Against TBW		
TBW Class 1	Priority Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired - not entitled to vote

TBW Class 2	FDIC Secured Claim (AOT Facility)	Impaired - entitled to vote
TBW Class 3	FDIC Secured Claim (Overline Facility)	Impaired - entitled to vote
TBW Class 4	Sovereign Secured Claim (Sovereign Facility)	Impaired - entitled to vote
TBW Class 5	Natixis Secured Claim (Natixis Facility)	Impaired - entitled to vote
TBW Class 6	Plainfield Secured Claim (Plainfield Term Loan)	Impaired - entitled to vote
TBW Class 7	Other Secured Claims	Impaired - entitled to vote
TBW Class 8	General Unsecured Claims	Impaired - entitled to vote
TBW Class 9	General Unsecured Claims (Trade Creditors)	Impaired - entitled to vote
TBW Class 10	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4)) and Claims, if any, subordinated by an Order of the Bankruptcy Court pursuant to § 510	Impaired - not entitled to vote
TBW Class 11	Interests	Impaired - not entitled to vote

Claims Against HAM		
HAM Class 1	Priority Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired - not entitled to vote
HAM Class 2	Other Secured Claims	Impaired - entitled to vote
HAM Class 3	General Unsecured Claims	Impaired - entitled to vote

HAM Class 4	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4)) and Claims, if any, subordinated by an Order of the Bankruptcy Court pursuant to § 510	Impaired - not entitled to vote
HAM Class 5	Interests	Impaired - not entitled to vote

Claims Against REO Specialists		
REO Class 1	Priority Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired - not entitled to vote
REO Class 2	Other Secured Claims	Impaired - entitled to vote
REO Class 3	General Unsecured Claims	Impaired - entitled to vote
REO Class 4	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4))	Impaired - not entitled to vote
REO Class 5	Equity Interests	Impaired - not entitled to vote

B. **Treatment of Claims and Interests**

The treatment of Claims and Interests in the Plan is in full and complete satisfaction of the legal, contractual, and equitable rights that each Person holding an Allowed Claim or an Allowed Interest may have in or against the applicable Debtor or its property. This treatment supersedes and replaces any agreements or rights those Entities have in or against the applicable Debtor or its property. All Distributions under the Plan will be tendered to the Person holding the Allowed Claim or Allowed Interest in accordance with the terms of the Plan. **Except as specifically set forth in the Plan, no Distributions will be made and no rights will be retained on account of (i) any Claim that is not an Allowed Claim or (ii) any Interest.**

Allowed Claims against any one Debtor will be satisfied solely from the Assets of such Debtor and its Estate contributed to the Plan Trust. A Claim against multiple Debtors co-liable on such Claim, to the extent allowed in each Debtor's Chapter 11 Case, will be treated as a separate Claim against each Debtor's Estate for all purposes (including, but not limited to, voting

and distribution, provided, however, that there shall be only a single recovery on account of such Claim.

1. Administrative Expense Claims

Subject to (a) the bar date provisions in the Plan and (b) additional requirements for Professionals and certain other Persons set forth in the Plan, each Holder of an Allowed Administrative Expense Claim against any of the Debtors shall receive, in full satisfaction, settlement, release and extinguishment of such Claim, as set forth in Article 7.B.2, Cash equal to the Allowed amount of such Administrative Expense Claim, unless the Holder agrees or shall have agreed to other treatment of such Claim no less favorable to the Debtors; provided, however, that any Administrative Expense Claim (x) incurred post-petition by a Debtor in the ordinary course of its businesses or (y) arising pursuant to one or more post-petition agreements or transactions entered into by any Debtor with Bankruptcy Court approval, shall be paid or performed in accordance with the terms and conditions of the particular transaction(s) and any agreement(s) relating thereto, or as otherwise agreed by the applicable Debtor or the Plan Trustee, on the one hand, and the Holder of such Administrative Expense Claim, on the other. The Holder of an Allowed Administrative Expense Claim shall not be entitled to, and shall not be paid, any interest, penalty, or premium thereon, and any interest, penalty, or premium asserted with respect to an Administrative Expense Claim shall be deemed disallowed and expunged without the need for any further Order of the Bankruptcy Court.

a. General Administrative Bar Date (excluding Professional Claims)

The Plan requires that requests for payment of Administrative Expense Claims other than Professional Claims be Filed and served on counsel for the Debtors or the Plan Trustee (as applicable) no later than (a) thirty (30) days after a notice of the Effective Date is filed with the Bankruptcy Court and served, or (b) such later date, if any, as the Bankruptcy Court shall order upon application made prior to the end of such 30-day period referred to as the Administrative Expense Claim Bar Date). Holders of Administrative Expense Claims (including, without limitation, the Holders of any Claims for federal, state or local taxes, but excluding Professional Claims) that are required to File a request for payment of such Claims and that do not File such requests by the applicable bar date shall be forever barred from asserting such Claims against the Debtors, the Plan Trust or any of their property. Notwithstanding the foregoing, any bar dates established during the course of these Chapter 11 Cases shall remain in full force and effect.

All objections to allowance of Administrative Expense Claims (excluding Professional Claims) must be Filed by any parties in interest no later than ninety (90) days after the Administrative Expense Claim Bar Date (defined as the Administrative Expense Claim Objection Deadline). The Administrative Expense Claim Objection Deadline may be initially extended for an additional ninety (90) days at the sole discretion of the Plan Trustee upon the filing of a notice of the extended Administrative Expense Claim Objection Deadline with the Bankruptcy Court. Thereafter, the Administrative Expense Claim Objection Deadline may be further extended by an Order of the Bankruptcy Court, which Order may be granted without notice to any Creditors. If no objection to the applicable Administrative Expense Claim is filed on or before the Administrative Expense Claim Objection Deadline, as may be extended, such

Administrative Expense Claim will be deemed Allowed, subject to the Bankruptcy Court's discretion to extend such bar date retroactively.

b. Professional Claims Bar Date

The Plan requires all Professionals or other Persons requesting compensation or reimbursement of expenses pursuant to any of §§ 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered on or before the Confirmation Date (including, *inter alia*, any compensation requested by any Professional or any other Person for making a substantial contribution in the Chapter 11 Cases) to File and serve on counsel for the Debtors or the Plan Trustee (as applicable) an application for final allowance of compensation and reimbursement of expenses accruing from the Petition Date to the Confirmation Date, no later than (a) sixty (60) days after a notice of the Effective Date is Filed with the Bankruptcy Court, or (b) such later date as the Bankruptcy Court shall order upon application made prior to the end of such 60-day period (referred to as the Professional Claims Bar Date). Notwithstanding the foregoing, the FDIC shall not be required to file an application to obtain the approval of the Bankruptcy Court for the FDIC Substantial Contribution Claim or payment of such Claim on the Effective Date of the Plan.

Objections to Professional Claims or Claims of other Persons for compensation or reimbursement of expenses must be Filed and served on counsel for the Debtors or the Plan Trustee (as applicable), and the Professionals or other Persons to whose application the objections are addressed on or before (a) forty-five (45) days after the Professional Claims Bar Date or (b) such later date as (i) the Bankruptcy Court shall order upon application made prior to the end of such 45-day period or (ii) is agreed between the Debtors or the Plan Trustee, as applicable, and the affected Professional or other Person.

Any Professional fees incurred by the Debtors or the Creditors' Committee subsequent to the Confirmation Date may be paid by the Debtors or the Plan Trust without application to or Order of the Bankruptcy Court. The costs of the Plan Trust, including without limitation, the fees and expenses of the Plan Trustee and any Professionals retained by the Plan Trustee, shall be borne entirely by the Plan Trust.

2. DIP Facility Claims

TBW never drew on the DIP Loan and does not believe that the DIP Lender has any Claims. However, if any do exist, all Allowed DIP Facility Claims against the Debtor shall be treated as Administrative Expense Claims and shall be satisfied (a) on or before the Effective Date in full in Cash, or in a manner otherwise permitted or requited pursuant to the terms of the DIP Order and the DIP Loan Agreement, or (b) on such other terms as may be mutually agreed upon among (i) the Holders of the DIP Facility Claims and (ii) TBW or the Plan Trustee.

3. Statutory Fees

All fees due and payable pursuant to 28 U.S.C. § 1930 and not paid prior to the Effective Date shall be paid in Cash. After the Effective Date, the Plan Trustee shall pay quarterly fees to the U.S. Trustee, in Cash, until the Chapter 11 Case for each applicable Debtor is (i) closed and a

final decree is entered, (ii) converted to a case under Chapter 7 of the Bankruptcy Code, or (iii) dismissed. In addition, the Plan Trust shall file post-Confirmation quarterly reports in conformance with the U.S. Trustee guidelines. The U.S. Trustee shall not be required to File a request for payment of its quarterly fees, which will be deemed Administrative Expense Claims against the applicable Debtors and their Estates.

4. Priority Tax Claims

With respect to each Allowed Priority Tax Claim not paid prior to the Effective Date, at the sole option of the Plan Trustee, the Plan Trustee shall pay to each Holder of an Allowed Priority Tax Claim on account of such Allowed Priority Tax Claim, in full satisfaction, settlement, and release of such Allowed Priority Tax Claim, in Cash, (a) in accordance with Bankruptcy Code § 1129(a)(9)(C) and (D), equal Cash payments made on or before the last Business Day of every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance of such Allowed Priority Tax Claim, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code; (b) or pursuant to such other treatment agreed to by the Holder of such Allowed Priority Tax Claim and the Debtors or the Plan Trustee in writing, provided such treatment is no less favorable to the liable Debtor or the Plan Trust than the treatment set forth in clause (a) hereof, or (c) payment in full as set forth in Article 7.B.2 of the Plan.

The Holder of an Allowed Priority Tax Claim shall not be entitled to assess any premium or penalty on such Claim and any asserted premium or penalty shall be deemed disallowed and expunged under the Plan without the need for a further order of the Bankruptcy Court. The Plan Trustee shall have the right to pay any Allowed Priority Tax Claim, or any remaining balance of such Claim, in accordance with the foregoing, at any time on or after the Effective Date, without premium or penalty of any kind.

5. Other Priority Claims

Each of TBW Class 1, HAM Class 1, and REO Class 1, which are Unimpaired, consist of all Allowed Priority Claims against a particular Debtor. Unless the Holder of an Allowed Priority Claim and the Debtor against which such Claim is asserted (if prior to or on the Effective Date) or the Plan Trustee (if after the Effective Date) agree to a different treatment, the Plan Trustee shall pay each such Holder of an Allowed Priority Claim in full, in Cash, without interest.

6. FDIC Secured Claims

TBW Classes 2 and 3, which are Impaired, consist of the Allowed FDIC Secured Claims against TBW. The FDIC Secured Claims are secured by first-priority Liens in certain assets of TBW as provided in the FDIC Settlement Agreement.

In full satisfaction, settlement, and release of, and in exchange for, each Allowed FDIC Secured Claim, the Holder of such Claim shall receive the treatment set forth the FDIC Settlement Agreement.

7. Sovereign Secured Claim

TBW Class 4, which is Impaired, consists of any Allowed Sovereign Secured Claim against TBW. Sovereign asserts a Secured Claim based upon an asserted Lien in TBW's rights under certain servicing agreements and all Cash proceeds thereof.

On the later of the Effective Date (or as soon thereafter as practicable) and the date the Sovereign Secured Claim becomes an Allowed Sovereign Secured Claim pursuant to a Final Order (or as soon thereafter as practicable), at the sole option of the Plan Trustee, the Holder of such Allowed Sovereign Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Sovereign Secured Claim, one or a combination of the following: (a) payment in Cash up to the Allowed amount of the Sovereign Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) all or any portion of the Assets securing the Allowed Sovereign Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Sovereign Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

8. Natixis Secured Claim

TBW Class 5, which is Impaired, consists of any Allowed Natixis Secured Claim against TBW. Natixis asserts a Secured Claim based upon an asserted Lien in TBW's rights under certain servicing agreements and all Cash proceeds thereof.

On the later of the Effective Date (or as soon thereafter as practicable) and the date the Natixis Secured Claim becomes an Allowed Natixis Secured Claim pursuant to a Final Order (or as soon thereafter as practicable), at the sole option of the Plan Trustee, the Holder of such Allowed Natixis Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Natixis Secured Claim, one or a combination of the following: (a) payment in Cash up to the Allowed amount of the Natixis Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) all or any portion of the Assets securing the Allowed Natixis Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Natixis Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

9. Plainfield Secured Claim

TBW Class 6, which is Impaired, consists of any Allowed Plainfield Secured Claim against TBW. The Plainfield Claim is secured by a junior Lien in certain Assets of TBW,

pursuant to the Plainfield Term Loan. The Assets securing the Plainfield Secured Claim are subject to an alleged first-priority Lien securing the Sovereign Secured Claim.

If the Plainfield Secured Claim becomes an Allowed Plainfield Secured Claim, then, on the later of the Effective Date (or as soon thereafter as practicable) and the date of such allowance pursuant to a Final Order (or as soon thereafter as practicable), at the sole option of the Plan Trustee, the Holder of such Allowed Plainfield Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Plainfield Secured Claim, one or a combination of the following: (a) payment in Cash up to the Allowed amount of the Plainfield Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) all or any portion of the Assets securing the Allowed Plainfield Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Plainfield Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

10. Other Secured Claims

TBW Class 7, HAM Class 2, and REO Class 2, which may be Impaired, comprise, respectively, all Allowed Other Secured Claims against a particular Debtor. These Classes comprise Secured Claims other than those that are separately classified.

On the later of the Effective Date (or as soon thereafter as practicable) and the date that an Other Secured Claim becomes an Allowed Other Secured Claim pursuant to a Final Order (or as soon thereafter as practicable), with respect to each Allowed Other Secured Claim, at the sole option of the Plan Trustee: (i) subject to the requirements of § 1124(2) of the Bankruptcy Code, the legal, equitable, and contractual rights of the Holder of such Allowed Other Secured Claim shall be reinstated in full as of the Effective Date and remain unaltered; or (ii) the Holder of such Allowed Other Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Other Secured Claim, one or a combination of the following: (a) payment in Cash up to the amount of the Allowed Other Secured Claim after the Assets securing such claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all its Liquidation Expenses and paid the Sharing Percentage; (b) all or any portion of the Assets securing the Allowed Other Secured Claim; (c) deferred Cash payments having a present value on the Effective Date equal to the amount of the Allowed Other Secured Claim that is not otherwise satisfied on the Effective Date, provided that the Holder of such Claim shall retain its Lien in any Assets securing such Claim; (d) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Other Secured Claim; or (e) such other treatment as may be agreed by the Holder and the Debtor against which the Allowed Other Secured Claim is asserted (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

To the extent that the value of the Assets securing any Allowed Other Secured Claim exceeds the Allowed Amount of such Claim, then, as contemplated by § 506(b) of the

Bankruptcy Code, the Holder of such Claim shall be entitled: (a) if the Other Secured Claim arises from a written agreement, to interest accrued (i) from the Petition Date to the Maturity Date at the non-default rate of interest under such agreement and (ii) from the Maturity Date to the Effective Date at the lesser of (A) the non-default rate of interest under the agreement and (B) the federal judgment rate of interest; (b) if the Other Secured Claim is a tax claim, interest at a rate to be determined pursuant to § 511 of the Bankruptcy Code; and (c) any reasonable fees, costs, or charges payable under the agreement or state statute giving rise to such Other Secured Claim.

11. General Unsecured Claims Against all Debtors, Other than Trade Claims and Subordinated Claims

TBW Class 8, HAM Class 3, and REO Class 3, which are Impaired, consist of all Allowed Unsecured Claims against each Debtor, respectively, other than Trade Claims against TBW and Subordinated Claims. Claims in TBW Class 8, Ham Class 3 and REO Class 3 shall include, without limitation, intercompany Claims among the Debtors and EPD Claims and Breach of Warranty Claims. For the avoidance of doubt, Claims in TBW Class 8 shall include, without limitation, (a) the FDIC's General Unsecured Claim (referred to in this Plan as the FDIC GUC Claim), as provided for in the FDIC Settlement Agreement; (b) the unsecured portion of any Claim secured by a Lien, and (c) Allowed Unsecured Claims of (i) any Insider of TBW; (ii) any institutional or non-institutional lender to TBW, including, but not limited to, warehouse and non-warehouse-line lenders and lenders asserting security interests in mortgage loans (or related debt or equity securities) or servicing rights or revenue related to mortgage loans; and (iii) any institutional or non-institutional investor in mortgage loans (or related debt or equity securities).

Each Holder of an Allowed Unsecured Claim in TBW Class 8, HAM Class 3, and REO Class 3 shall receive its *pro rata* share of the Net Distributable Assets of the applicable Estate. With respect to TBW Class 8, the *pro rata* share shall be calculated by including with the TBW Class 8 Allowed Claims all the Allowed Trade Claims in TBW Class 9.

12. General Unsecured Claims (Trade Creditors) Against TBW (TBW Class 9)

TBW Class 9, which is Impaired, consists of Holders (referred to as Trade Creditors) of Trade Claims. The term "Trade Claims" is defined in the Plan to mean Allowed Unsecured Claims for goods or services provided to or performed for or on behalf of TBW but specifically excluding Claims of (a) any insider of TBW; (b) any institutional or non-institutional lender to TBW, including but not limited to warehouse and non-warehouse-line lenders and lenders asserting security interests in mortgage loans (or related debt or equity securities) or servicing rights or revenue related to mortgage loans; and (c) any institutional or non-institutional investor in mortgage loans (or related debt or equity securities). The Plan Trustee shall disburse, on behalf of the FDIC, to each Holder of an Allowed Trade Claim its *pro rata* share of (a) 10% of the first $100 million available for Distribution in respect of the FDIC GUC Claim, plus (b) 5% of all amounts thereafter available for Distribution in respect of the FDIC GUC Claim until a total of $15 million (referred to as the Trade Creditor Recovery) is received by the

Holders of Allowed Trade Claims. The *pro rata* share which each Holder of a Trade Claim shall receive shall be based on the total amount of the Allowed Trade Claims.

The terms of payment of the Trade Creditor Recovery from Cash available for Distribution in respect of the FDIC GUC Claim shall be as set forth in the FDIC Settlement Agreement. As provided therein, the FDIC shall have no obligation to share recoveries with the Trade Creditors after a total of $15 million is paid by the FDIC to the Plan Trust for the benefit of Trade Creditors. Neither the FDIC GUC Claim nor any Claims other than those of Trade Creditors shall receive any Distribution from the Trade Creditor Recovery.

Notwithstanding anything contained in Article 4.G of the Plan to the contrary, the Holders of TBW Class 9 Claims shall also receive a *pro rata* share of the Net Distributable Assets. This *pro rata* share shall be calculated by including with the TBW Class 8 Allowed Claims all the Allowed Trade Claims in TBW Class 9.

Prior to service of the Ballots, the Plan Proponents shall publish their determination as to which Holders of General Unsecured Claims are entitled to treatment as Holders of TBW Class 9 Claims. **Upon service of the Ballots, the list of the General Unsecured Claims included in TBW Class 9 (titled General Unsecured Claims (Trade Creditors) Against TBW) may be viewed online, free of charge, by accessing www.bmcgroup.com/tbwmortgage and following the links to information regarding TBW Class 9.**

If the Holder of a Claim disagrees with the determination of the Plan Proponents as to TBW Class 9 status, then the Holder of such Claim may seek a final determination of the proper classification of its Claim by the Bankruptcy Court by filing a motion seeking such relief not later than 14 days after issuance of service of the Ballot upon the Holder of the Claim. In adjudicating whether a Claim is properly classified as a TBW Class 8 Claim or a TBW Class 9 Claim, the Court will consider the intent of the Plan Proponents by the description of the Classes, as set forth above. If a Claim is in TBW Class 8 then it is not in TBW Class 9, and vice versa.

13. Subordinated Claims

TBW Class 10, HAM Class 4, and REO Class 4, which are Impaired, consist of all Subordinated Claims against all of the Debtors. Holders of Claims in these Classes are expected to receive no Distribution on account of such Claims because the Net Distributable Assets are expected to be insufficient to satisfy Unsecured Claims senior to the Subordinated Claims.

14. Interests

Each of TBW Class 11, HAM Class 5, and REO Class 5, which are Impaired, consist of Interests in all of the Debtors. Holders of Interests in these Classes shall receive no Distribution or dividend on account of such Interests because the Net Distributable Assets are expected to be insufficient to satisfy Unsecured Claims. The entry of the Confirmation Order shall act as an Order approving and effecting the cancellation of all Interests (and all securities convertible or exercisable for or evidencing any other right in or with respect to the Interests) outstanding immediately prior to the Effective Date, without any conversion thereof or Distribution with respect thereto.

C. **Acceptance or Rejection of the Plan; Nonconsensual Confirmation**

1. Ability to Vote on the Plan

As set forth above, TBW Class 1, HAM Class 1, and REO Class 1 are Unimpaired by the Plan. Pursuant to § 1126(f) of the Bankruptcy Code, each of these Classes of Claims is conclusively presumed to have accepted the Plan, and the votes of Holders of Claims in such Classes therefore will not be solicited. If and to the extent any Class identified as being Unimpaired is Impaired (whether as a result of the terms of the Plan or any modification or amendment thereto), the Holders of Claims in such Class shall be entitled to vote to accept or reject the Plan.

TBW Classes 2, 3, 4, 5, 6, 7, 8 and 9; HAM Classes 2 and 3; and REO Classes 2 and 3 are (or may be) Impaired by the Plan, and Holders of Claims in these Classes shall be entitled to vote to accept or reject the Plan.

TBW Classes 10 and 11; HAM Classes 4 and 5; and REO Classes 4 and 5 are Impaired by the Plan, but Holders of Claims and Interests in these Classes are not expected to retain or receive any property under the Plan on account of such Claims and Interests. Pursuant to § 1126(g) of the Bankruptcy Code, these Classes are conclusively presumed to have rejected the Plan, and the votes of Holders of Claims or Interests in such Classes therefore will not be solicited.

2. Non-Consensual Confirmation

As set forth in Article 14 of the Plan, if any Impaired Class fails to accept the Plan, the Debtors intend to request that the Bankruptcy Court confirm the Plan as a Cramdown Plan pursuant to § 1129(b) of the Bankruptcy Code with respect to such Class.

D. **Means of Implementing the Plan**

1. Corporate Action; Dissolution of Debtors

On the Effective Date, (i) the matters under the Plan involving or requiring corporate action of the Debtors or their subsidiaries, including, but not limited to, actions requiring a vote or other approval of the board of directors or shareholders and execution of all documentation incident to the Plan, shall be deemed to have been authorized by the Confirmation Order and to have occurred and be in effect from and after the Effective Date without any further action by the Bankruptcy Court or the officers or directors of the Debtors or their subsidiaries, and (ii) the officers and directors of the Debtors shall immediately cease to serve and the Plan Trustee shall be deemed the sole director and officer of each of the Debtors for all purposes, without any further action by the Bankruptcy Court or the officers or directors of the Debtors or their subsidiaries.

On and after the Effective Date, (i) the Plan Trustee shall be authorized, in his sole and absolute discretion, to take all actions reasonably necessary to dissolve the Debtors and their subsidiaries under applicable laws, including the laws of the jurisdictions in which they may

be organized or registered, and to pay all reasonable costs and expenses in connection with such dissolutions, including the costs of preparing or Filing any necessary paperwork or documentation. The Plan Trustee shall have no liability for using his discretion to dissolve or not dissolve any of the Debtors or their subsidiaries. Whether or not dissolved, the Debtors shall have no authorization to implement the provisions of the Plan from and after the Effective Date except as specifically provided otherwise in the Plan.

2. Dissolution of Creditors' Committee

On the Effective Date, the Creditors' Committee shall dissolve automatically, whereupon their members, Professionals and agents shall be released from any further duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code, except that such parties shall continue to be bound by any obligations arising under confidentiality agreements, joint defense/common interest agreements (whether formal or informal), and protective Orders entered during the Chapter 11 Cases, which shall remain in full force and effect according to their terms.

3. Consummation of FDIC Settlement Agreement

The FDIC Settlement Agreement provides that certain of its provisions are to be set forth in the Plan. Article 6.E. of the Plan sets forth certain of those provisions, which are summarized below in this subsection D.3. Certain other provisions of the FDIC Settlement are incorporated into other Articles of the Plan, including Article 4, titled Treatment of Classified Claims and Interests, and Article 10, titled Exculpations and Releases.

Pursuant to the FDIC Settlement Agreement, the FDIC's ownership of 99% participation interests in the mortgage loans purchased pursuant to the COLB Documents for which there are no conflicting claims of ownership with third parties or for which Colonial is determined to have superior ownership rights, shall be recognized. A list of the COLB Loans for which the FDIC's superior rights shall be recognized shall be attached as an exhibit to the FDIC Settlement Agreement or filed separately as a document included in the Plan Supplement. On the Effective Date, TBW shall transfer all right, title, and interest of TBW and Affiliates in and to such COLB Loans to the FDIC, free and clear of all Claims, encumbrances, liens, and interests in and to such COLB Loans of any kind or nature, subject to the 99% participation interest therein held by the FDIC such that, as of the Effective Date, the FDIC shall have the right to sell, securitize, syndicate or otherwise dispose of such COLB Loans or any interest therein or any interest created thereby resulting from the COLB Loans into a securitization. The FDIC shall pay the Debtor 1% of the net proceeds of any such disposition from the COLB Loans, in whole or in part, or any other proceeds collected with respect to the COLB Loans, as and when and in the same manner that the FDIC receives payment for such disposition or collection.

Pursuant to the FDIC Settlement Agreement, the FDIC shall be granted an Administrative Expense Claim in the amount of $1.75 million in recognition of the FDIC's substantial contribution to TBW's Chapter 11 Case through the Reconciliation, as an actual, necessary cost and expense of preserving TBW's estate pursuant to Bankruptcy Code section 503(b)(3)(D).

The FDIC shall have an Allowed General Unsecured Claim in the amount set forth in Section 1.9 of the FDIC Settlement Agreement (referred to in this Plan as the FDIC GUC Claim).

Pursuant to Section 1.10 of the FDIC Settlement Agreement, the FDIC has assigned, for the benefit of the Trade Creditors (TBW Class 9), the Trade Creditor Recovery, which represents a portion of the Distribution to which the FDIC is entitled by virtue of the FDIC GUC Claim. The treatment of TBW Class 9 Claims reflects this partial assignment.

All terms and conditions of the FDIC Settlement Agreement, a copy of which is Filed as an exhibit to the Plan Supplement, are incorporated by reference as terms and conditions of the Plan. In case of conflict between the Plan and the FDIC Settlement Agreement, the terms of the FDIC Settlement Agreement shall control.

4. The Plan Trust; Assumption of Plan Obligations

On or prior to the Effective Date, the Plan Trust shall be formed. The Holders of Allowed Claims (whether Allowed before or after the Effective Date) shall be the sole Beneficiaries of the Plan Trust.

On or before the Effective Date the Plan Trust will be formed and on the Effective Date all Assets of the Estates shall vest in, and constitute Assets of, the Plan Trust, as more particularly described in subsection 5 below of this Section VI.D. All of the Debtors' rights and obligations under the Plan with respect to each and every Administrative Expense Claim, Priority Tax Claim, Priority Claim, and Secured Claim, and all other rights and obligations of the Debtors under the Plan, will be assigned to and assumed by the Plan Trust on the Effective Date.

The Plan Trust shall be administered in accordance with the Plan Trust Agreement. The Plan Trust Agreement shall set forth the provisions necessary to govern the rights, powers, obligations, appointment and removal of the Plan Trustee and to ensure the treatment of the Plan Trust as a liquidating trust for federal income tax purposes. The following provisions provide a general overview of the Plan Trust Agreement, but are subject to change as the Plan Trust Agreement is finalized or amended. The Plan Trust Agreement shall be Filed with the Bankruptcy Court as an exhibit to the Plan Supplement. In the event that the description of the Plan Trust Agreement in the Plan or this Disclosure Statement conflicts with any provision of the Plan Trust Agreement, the provision of the Plan Trust Agreement shall control.

a. The Plan Trustee

On the Effective Date, the appointment of Neil Luria (the CRO during these Chapter 11 Cases) as Plan Trustee shall become effective. The Plan Trustee may be removed or replaced by the Plan Advisory Committee for Cause shown, in accordance with the procedures in the Plan Trust Agreement, in which case the Plan Advisory Committee shall have the authority to appoint a successor trustee. If the Bankruptcy Court so orders, the Plan Trustee shall serve with a bond, the costs and expenses of which shall be paid by the Plan Trust.

The Plan Trustee shall be compensated as set forth in the Plan Trust Agreement (which compensation may be revised as agreed upon by the Plan Trust and the Plan Advisory Committee) and shall not be required to file a fee application to receive compensation. The Plan Trustee's compensation shall, however, be subject to review and, if appropriate, objection by the Plan Advisory Committee as set forth in the Plan Trust Agreement.

b. Distributions from Liquidation of Plan Trust Assets

As a general charge, the Plan Trustee shall, in his reasonable business judgment and in an expeditious but orderly manner, liquidate and convert to Cash the Plan Trust Assets, make timely Distributions, and not unduly prolong the duration of the Plan Trust. The Plan Trust shall make Distributions to Holders of Allowed Claims in accordance with the Plan and the Plan Trust Agreement.

c. Responsibilities of Plan Trustee

(i) Powers

The Plan Trustee shall be deemed the Estates' representative in accordance with § 1123 of the Bankruptcy Code and shall have all powers, authority and responsibilities specified in the Plan and the Plan Trust Agreement, including, without limitation, the powers of a trustee under §§ 704, 1106 and 108 of the Bankruptcy Code and Rule 2004 of the Bankruptcy Rules (including commencing, prosecuting or settling Causes of Action, enforcing contracts, and asserting defenses, offsets and privileges), to the extent not inconsistent with the status of the Plan Trust as a "liquidating trust" for federal income tax purposes within the meaning of Treasury Regulation § 301.7701-4(d), except as otherwise provided for U.S. federal income tax purposes in the event that the Plan Trustee timely elects to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations.

(ii) Valuation of Assets

As soon as practicable after the Effective Date, the Plan Trustee shall apprise each of the Beneficiaries in writing of the value of the Plan Trust Assets by Filing such valuation with the Bankruptcy Court. The valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Plan Trustee, and Holders of Unsecured Claims) for all federal income tax purposes.

(iii) Decisions Requiring Plan Advisory Committee Vote

Notwithstanding the foregoing powers, the Plan Trustee shall consult with and obtain the approval of the Plan Advisory Committee before making any Material Decisions. Further, the Plan Advisory Committee, and not the Plan Trustee, shall have the sole power to make any Unanimous Decision. See subsection 6.c below of this Section VI.D for a summary of all Material Decisions and Unanimous Decisions.

d. Distributions and Reserves

The Plan Trustee shall make Distributions to Holders of Allowed Claims in accordance with Article 7 of the Plan and the Plan Trust Agreement, and shall establish Reserves for all Plan Trust Operating Expenses, Administrative Claims, Priority Tax Claims, Priority Claims and Disputed Unsecured Claims.

e. Investment Powers and Permitted Cash Expenditures

All funds held by the Plan Trustee shall be invested in Cash or in demand and time deposits, such as certificates of deposit and U.S. Treasury Bills having maturities of not more than one year, or other temporary liquid investments that are readily convertible to known amounts of Cash as more particularly described in the Plan Trust Agreement; provided, however, that the right and power of the Plan Trustee to invest Plan Trust Assets, the proceeds thereof, or any income earned by the Plan Trust, shall be limited to the right and power that a liquidating trust is permitted to exercise pursuant to the Treasury Regulations, or as set forth in IRS rulings, notices, guidelines or other IRS pronouncements, and as provided by Bankruptcy Code § 345. The Plan Trustee may expend the Cash of the Plan Trust (x) as reasonably necessary to meet contingent liabilities and to maintain the value of the respective Assets of the Plan Trust during liquidation, (y) to pay reasonable administrative expenses (including, but not limited to, any taxes imposed on the Plan Trust), and (z) to satisfy other liabilities incurred by the Plan Trust in accordance with the Plan or the Plan Trust Agreement.

f. Disputed Ownership Fund.

The Plan Trustee shall be permitted to make the election described in § 1.468B-9(c)(2)(ii) of the Treasury Regulations to treat any portion of the Plan Trust subject to Disputed Claims as a "disputed ownership fund." The Plan Trustee may also, to the extent permitted by law, make such an election for state and local income tax purposes. If the election is made to treat any Disputed Claims as a "disputed ownership fund," then the Plan Trust may (i) allocate taxable income or loss to the Disputed Claims, with respect to any given taxable year (but only for the portion of the taxable year with respect to which such Claims are Disputed), and (ii) distribute Assets from the Disputed Claims Reserve as, when, and to the extent, such Claims that are Disputed cease to be Disputed, whether by virtue of becoming Allowed or otherwise resolved. The Beneficiaries will be bound by such election, if made by the Plan Trustee and, as such, will, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

g. Reporting Duties

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the issuance of applicable Treasury Regulations, the receipt by the Plan Trustee of a private letter ruling if the Plan Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Plan Trustee), the Plan Trustee shall file returns for the Plan Trust as a grantor trust pursuant to Treasury Regulation § 1.671-4(a),

except as otherwise provided in the Plan or in the Plan Trust Agreement, or as otherwise ordered by the Bankruptcy Court.

(i) Grantor Trust Status

Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Plan Trustee of a private letter ruling if the Plan Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Plan Trustee), the Plan Trustee shall file returns for the Plan Trust as a grantor trust pursuant to Treasury Regulations § 1.671-4(a), giving effect to any timely elections made by the Plan Trustee to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to Section 1.468B-9(c)(2)(ii) of the Treasury Regulations.

(ii) Annual Financial Statements and Statements to Beneficiaries

The Plan Trustee shall also send to each Holder of a beneficial interest in the Plan Trust (referred to as Beneficiaries) an annual statement setting forth the Holder's share of items of income, gain, loss, deduction or credit and provide to all such Holders information for reporting such items on their federal income tax returns, as described in the Plan Trust Agreement, except as otherwise provided for U.S. federal income tax purposes in the event that the Plan Trustee timely elects to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to Section 1.468B-9(c)(2)(ii) of the Treasury Regulations. The Plan Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Plan Trust that are required by any Governmental Authority.

(iii) Quarterly Reports to Plan Advisory Committee

The Plan Trustee shall submit reports as it deems advisable to the Advisory Committee not less frequently than each quarter, which shall include reports on the commencement and prosecution of Causes of Action and the proceeds of liquidation of Plan Trust Assets.

(iv) Allocation of Plan Trust Taxable Income

Allocations of Plan Trust taxable income shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on Distributions described in the Plan or the Plan Trust Agreement) if, immediately prior to such deemed Distribution, the Plan Trust had distributed all of its other assets (valued for this purpose at their tax book value) to the Holders of the beneficial interests in the Plan Trust (treating any holder of a Disputed Claim, for this purpose, as a current Holder of a beneficial interest in the Plan Trust entitled to Distributions), taking into account all prior and concurrent Distributions from the Plan Trust and all Reserve allocations (including all Reserves established pending the resolution of Disputed Claims). Similarly, taxable loss of the Plan Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating Distribution of the remaining Plan Trust Assets. For this purpose, the tax book value of the Plan Trust Assets shall equal their fair market value on the Effective Date or, if later, the

date such assets were acquired by the Plan Trust, adjusted in either case in accordance with tax accounting principles prescribed by the IRC, the regulations and other applicable administrative and judicial authorities and pronouncements.

(v) Other Filings

The Plan Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Plan Trust that are required by the Plan Trust Agreement or any Governmental Authority.

(vi) Disputed Ownership Fund – Tax Effect

Notwithstanding the foregoing, in the event that the Plan Trustee timely elects to treat any portion of the Plan Trust subject to disputed claims as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations, any Holders of Claims who as of the Effective Date are Holders of Disputed Claims shall, to the extent of such Disputed Claims, be subject to U.S. federal income taxation in accordance with rules set forth in Section 468B of the Internal Revenue Code and the Treasury Regulations thereunder.

h. Registry of Beneficial Interests; Non-Transferability

To evidence the beneficial interest in the Plan Trust of each Holder of such an interest, the Plan Trustee shall maintain a registry of such Holders.

Upon issuance thereof, interests in the Plan Trust shall be transferable after written notice to the Plan Trustee only: (a) pursuant to applicable laws of descent and distribution (as in the case of a deceased individual Beneficiary); or (b) by operation of law (as in the case of merger of a corporate Beneficiary).

i. Retention of Professionals

The Plan Trustee may retain professionals, including but not limited to, attorneys, accountants, investment advisors, auditors and other agents on behalf of the Plan Trust, as necessary or desirable to carry out the obligations of the Plan Trustee hereunder and under the Plan Trust Agreement. More specifically, the Plan Trustee may retain counsel in any matter related to administration of the Plan, including counsel that has acted as counsel for the Debtors, the Creditors' Committee, or its members in the Chapter 11 Cases. Approval of the Bankruptcy Court shall not be required to retain or pay any such professionals.

j. Termination

The Plan Trust shall terminate after it liquidates and distributes the Plan Trust Assets in accordance with the Plan and its full performance of all other duties and functions set forth in the Plan or in the Plan Trust Agreement, or as otherwise ordered by the Bankruptcy Court. The Plan Trust shall terminate no later than the fifth (5^{th}) anniversary of the Effective Date; provided, however, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Plan Trust for a finite period if it is necessary to the liquidating purpose thereof. Multiple

extensions can be obtained. Any extension shall be obtained within the six (6) month period prior to the fifth (5^{th}) anniversary or the end of the immediately preceding extension, as applicable.

k. Purpose of the Plan Trust

The Plan Trust shall be established for the sole purpose of liquidating and distributing the Plan Trust Assets in accordance with Treasury Regulations § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. Subject to definitive guidance from the IRS, all parties shall treat the Plan Trust as a liquidating trust for all federal income tax purposes. The Plan Trust shall not be deemed to be the same legal entity as any of the Debtors, but only the assignee of the Assets and liabilities of the Debtors and a representative of the Estates for delineated purposes within the meaning of § 1123(b)(3) of the Bankruptcy Code.

5. Vesting of Assets

On the Effective Date, all Assets of the Estates shall vest in the Plan Trust and constitute Plan Trust Assets, and each Debtor shall be deemed for all purposes to have transferred legal and equitable title of all Assets of its Estate to the Plan Trust for the benefit of the Holders of Claims against its Estate, whether or not such Claims are Allowed Claims as of the Effective Date, subject, however, to the Plan Liabilities (described in the following paragraph). In accordance with § 1123(b) of the Bankruptcy Code, the Plan Trust is vested with, retain and may exclusively enforce, prosecute and resolve any or all Causes of Action that the Debtors, the Estates, or the Creditors' Committee may have against any Person.

The Trust Assets are transferred to the Plan Trust subject to the following liabilities, if any, which arise out of or relate to any known or unknown Claim or Cause of Action against the respective Debtors or their Estates: (i) Allowed Administrative Claims, Allowed Priority Tax Claims, and Allowed Priority Claims that have not been paid as of the Effective Date or that are subsequently Allowed; (ii) all U.S. Trustee fees until such time as the Bankruptcy Court enters a final decree closing each Debtor's Chapter 11 Case; and (iii) any obligations owing to Secured Creditors under the Plan or the Confirmation Order; but (iv) specifically excluding any Claims that have been barred by, or satisfied under, the Plan.

Between the Confirmation Date and the Effective Date, the Debtors will execute all documentation required (i) to transfer control of the Plan Trust Assets to the Plan Trustee, (ii) to consummate the Plan and (iii) to effectuate the terms of the FDIC Settlement Agreement and any other settlement agreement approved by the Bankruptcy Court. After the Effective Date, all payments and property that any Debtor or its Estate is to receive under the Plan or under any such settlement shall be transferred and conveyed directly to the Plan Trust rather than to the respective Debtor. On the Effective Date, the Debtors shall have no further interest in the Plan Trust Assets.

6. Plan Advisory Committee

On or before the Effective Date, the Plan Advisory Committee shall be deemed appointed and may promptly adopt bylaws to govern the actions of the Plan Advisory Committee. The

Plan Advisory Committee shall represent the interests of the Holders of Beneficial Interests during the existence of the Plan Trust, and shall have the obligation to undertake in good faith each of the acts and responsibilities set forth for the Plan Advisory Committee in the Plan Trust Agreement or in the Plan for the benefit of the Beneficiaries.

a. Membership; Voting

The Plan Advisory Committee shall consist of three (3) members of the Creditors' Committee. In the event that less than three (3) of the members of the Creditors' Committee notify counsel to the Creditors' Committee of their intent to serve on the Plan Advisory Committee within fifteen (15) days prior to the Confirmation Hearing, then members shall be chosen as provided in the Plan Trust Agreement. In the event of the resignation of a member of the Advisory Committee, their replacements shall be chosen as provided in the Plan Trust Agreement.

A majority of the members of the Advisory Committee shall constitute a quorum. Except with regard to a Unanimous Decision, a majority vote is required for the Advisory Committee to act on matters before it. In the case of a tie vote, including a tie vote on any Material Decision, the vote of the Plan Trustee shall be taken to break the tie.

b. Fiduciary Duties

The fiduciary duties that applied to the Creditors' Committee prior to the Effective Date, as limited by the exculpations, indemnifications, releases and other protections provided in the Plan, the Plan Trust Agreement, and the Confirmation Order, shall apply to the Plan Advisory Committee. The duties, rights and powers of the Plan Advisory Committee shall terminate upon the termination of the Plan Trust.

c. Rights and Duties

The Plan Advisory Committee's role shall be to consult with the Plan Trustee in the liquidation of the Plan Trust Assets, as more particularly set forth in the Plan Trust Agreement. The Plan Advisory Committee shall have the rights and duties set forth in the Plan Trust Agreement. The rights and powers of the Plan Advisory Committee shall include, but not be limited to, approving all Material Decisions, including the following:

- the Plan Trustee's commencement or continuation of the prosecution of (i) any Cause of Action in which the amount sought to be recovered exceeds $1 million, or (ii) any objection to a Claim having a stated amount greater than $1 million;

- the Plan Trustee's determination not to object to a Claim having a stated amount in excess of $1 million;

- the settlement of (i) any Cause of Action in which the amount sought to be recovered exceeds $1 million or (ii) any Disputed Claim having a stated amount in excess of $1 million and to approve any release or

indemnification to be given by the Plan Trustee in connection with any such settlement;

- any sale of any Assets for a price in excess of $500,000, but no consent or approval of the Plan Advisory Committee is required for any sale of REO or for any release of any individual mortgage loan, including any release for an amount which is less than the outstanding balance of the loan;

- the investment of Cash or other Plan Trust Assets, except for investments in demand and time deposits, such as certificates of deposit, having maturities of less than one year and in U.S. Treasury bills;

- the dissolution of any Debtor;

- the waiver of the attorney-client privilege by the Plan Trustee with respect to any Cause of Action or other litigation related matter, as described in the Plan Trust Agreement;

- the election to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations; and

- the election described in Article 7.J. of the Plan as regards undeliverable Distributions.

In addition to approving all Material Decisions, the Plan Advisory Committee shall have the absolute right and power to determine the following by the unanimous vote of all the members of the Advisory Committee (referred to in the Plan Trust Agreement as a "Unanimous Decision"):

- to change the initial bond to be posted by the Plan Trustee; and

- to petition the Bankruptcy Court to remove the Plan Trustee for Cause, or to select a successor Trustee when a successor is required.

d. No Compensation: Reimbursement and Retention of Professionals

The members of the Plan Advisory Committee shall serve without compensation, except for reimbursement of fees and expenses as provided for in the Plan and the Plan Trust Agreement. The Plan Trust shall reimburse the Plan Trustee and each member of the Plan Advisory Committee for its respective reasonable and documented expenses, including out-of-pocket expenses relating to airfare, hotel, meals and other travel costs, and postage, telephone and facsimile charges, for work performed on behalf of or relating to the administration of the Plan Trust or the Advisory Committee, and other necessary expenses. Reimbursement shall include expenses incurred for fees and expenses of counsel to the Plan Trustee, and with respect to the Plan Advisory Committee, to counsel to any member of the Plan Advisory Committee engaged to assist such member to perform its duties hereunder. Reimbursement for fees and

expenses of each Plan Advisory Committee member and its counsel shall be subject to a cap to be determined jointly by the Plan Advisory Committee and the Plan Trustee. All amounts payable pursuant to this paragraph shall be paid from the Plan Trust Assets. If the Cash in the Plan Trust shall be insufficient to effect such reimbursement, then the Plan Trustee is hereby authorized to reduce to Cash in a commercially reasonably manner that portion of the Plan Trust Assets necessary to effect such reimbursement. The Plan Advisory Committee shall not retain counsel for the Plan Advisory Committee at the expense of the Plan Trust, unless pursuant to an Order of the Bankruptcy Court for cause shown.

e. Objection to Fees

The Plan Advisory Committee shall have the right, within 7 days from the delivery of a fee statement, to object to the fees of any professional retained by either the Plan Trust or the Plan Advisory Committee. The objection shall be lodged by giving notice of any such objection to the professional seeking compensation or reimbursement. For an objection to be valid, it shall be in writing and set forth in detail the specific fees objected to and the basis for the objection. Any objection that remains unresolved 15 days after it is made may be submitted to the Bankruptcy Court for resolution. The uncontested portion of each invoice shall be paid within 20 days after its delivery to the Plan Advisory Committee and the Plan Trustee.

7. No Liability of Plan Trustee or Plan Advisory Committee and Related Parties; Indemnification

a. Exculpation

Neither the Plan Trustee nor any member of the Plan Advisory Committee, nor their respective employees, professionals, agents, representatives or designees (referred to as the Plan Trust Exculpated Parties), shall be liable for any Claims, Causes of Action, liabilities, obligations, losses, damages, costs and expenses (including attorneys' fees and expenses), and other assertions of liability (referred to as the Plan Trust Released Claims) arising out of the discharge of the powers and duties conferred upon the Plan Trustee or the Plan Advisory Committee by the Plan Trust Agreement, the Plan or any Order, or requested to be performed by the Plan Trustee or any member of the Plan Advisory Committee, other than for Plan Trust Released Claims determined by a Final Order to have arisen or resulted solely from such Plan Trust Exculpated Party's gross negligence or willful misconduct. Any action taken or omitted to be taken with the approval of the Bankruptcy Court or the Plan Advisory Committee will conclusively be deemed not to constitute gross negligence or willful misconduct. No Holder of a Claim or other Person will have or be permitted to pursue any Claim or cause of action against any Plan Trust Exculpated Party for making or approving, or not making or approving, payments or Distributions in accordance with the Plan or for implementing the provisions of the Plan.

b. Indemnification

To the fullest extent permitted by applicable law, the Plan Trust shall indemnify, defend and hold harmless each Plan Trust Exculpated Party from and against any and all Plan Trust Released Claims arising out of or resulting from such Plan Trust Exculpated Party's acts or

omissions, or consequences of such acts or omissions, with respect to the implementation or administration of the Plan Trust or the Plan or the discharge of its duties thereunder or under the Plan Trust Agreement; provided, however, that no such indemnification will be made to such Plan Trust Exculpated Party for Plan Trust Released Claims determined by a Final Order to have arisen or resulted solely from such Plan Trust's Exculpated Party's gross negligence or willful misconduct. All fees, costs and expenses, including without limitation attorneys' fees and expert witness fees, incurred by a Plan Trust Exculpated Party in defending a civil or criminal action, suit or proceeding shall be paid by the Plan Trust in advance of the final disposition of such action, suit or proceeding.

8. Plan Trustee as Successor to the Debtors

The Plan Trust shall be the successor to the Debtors and/or the Creditors' Committee for the purposes of §§ 1123, 1129, and 1145 of the Bankruptcy Code and with respect to all Causes of Action and other litigation-related matters. The Plan Trust shall succeed to the attorney-client privilege of the Debtors with respect to all Causes of Action and other litigation-related matters, and the Plan Trustee may waive the attorney-client privilege with respect to any Cause of Action or other litigation-related matter, or portion thereof, in the Plan Trustee's discretion, subject to the approval of the Plan Advisory Committee.

9. Preservation of Causes of Action

Except as otherwise provided in the Plan or expressly in any contract, instrument, release or agreement entered into in connection with the Plan, in accordance with § 1123(b)(3) of the Bankruptcy Code, the Plan Trust shall be vested with and may exclusively enforce and prosecute any Causes of Action that the Debtors, the Estates, the Creditors' Committee or the Plan Trust may have against any Person. The Plan Trustee may pursue such retained Causes of Action in accordance with the best interests of the Plan Trust and its Beneficiaries.

E. **Distributions under the Plan**

1. Timing of Distributions

a. Generally

The Plan Trustee shall apply the Plan Trust Assets only in accordance with the Plan and the Plan Trust Agreement. The Plan Trustee shall make all Distributions provided for in the Plan from the Plan Trust Assets, including those to be paid on the Effective Date. The Plan Trustee shall not be required to seek approval of the Bankruptcy Court or any other court with respect to the administration of the Plan Trust, or as a condition to making any payment or Distribution out of the Plan Trust Assets; provided, however, that, with respect to any Distribution from any "disputed ownership fund" that the Plan Trustee may establish under § 1.468B-9(c)(2)(ii) of the Treasury Regulations, the Plan Trustee shall obtain Bankruptcy Court approval to the extent necessary to comply with all requirements of such Treasury Regulation. All Distributions and the Reserves described in Article 7 of the Plan shall be managed by the Plan Trustee in a manner that accounts for the priority of Distributions under the Plan.

b. Distributions on Secured Claims

The Plan Trustee shall not distribute Cash as to which a Creditor claims a Lien until the validity, extent, and priority of the Lien has been determined by a Final Order. To the extent that a Lien is adjudicated in favor of such Creditor, it shall be entitled to a Distribution of such Cash in accordance with such Final Order and the treatment of such Secured Creditor's Allowed Claim under the Plan. The FDIC Secured Claims shall be deemed Allowed Claims by virtue of the Confirmation Order, and Distributions shall be made to the FDIC when the Confirmation Order is a Final Order.

c. Distributions on Allowed Administrative Expense Claims, Priority Tax Claims and Priority Claims

Except as otherwise provided in the Plan, each Holder of an Allowed Administrative Expense Claim, Priority Tax Claim and Priority Claim against any Debtor shall be entitled to a Distribution from Unencumbered Cash as soon as practicable after the later of (a) the Effective Date, and (b) the date upon which any such Claim becomes an Allowed Claim.

d. Interim Distributions on Unsecured Claims

The Plan Trustee may make annual interim Distributions to Holders of Allowed Unsecured Claims, and may also make more frequent interim Distributions on account of such Claims, from the Net Distributable Assets or Trade Creditor Recovery, as applicable, of the applicable Estate then available, provided that, in either case, each of the following conditions precedent is satisfied: (a) any such Distribution is warranted, economical and not unduly burdensome to the Plan Trust; (b) the Plan Trust has paid all current and outstanding Plan Trust Operating Expenses, Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Priority Claims; and (3) the Plan Trust has allocated adequate funds to the Plan Trust Operating Expense Reserve, the Administrative and Priority Claims Reserve, and the Disputed Claims Reserve of the applicable Estate, and such Reserves will remain adequate after any such interim Distribution is made. This paragraph on Interim Distributions shall be interpreted to be consistent with Revenue Procedure 94-95 § 3.10.

e. Final Distributions on Unsecured Claims

After (a) the payment of all Plan Trust Operating Expenses, Administrative Expense Claims, Priority Tax Claims and Priority Claims, (b) the prosecution, settlement, or abandonment of all Causes of Action, (c) the allowance or disallowance of all Claims against the Estates, and (d) the liquidation or abandonment of all other Plan Trust Assets, the Holders of all Allowed Unsecured Claims shall be entitled to a Distribution of all remaining Plan Trust Assets pursuant to the terms of the Plan and the Plan Trust Agreement.

2. Reserves

The Plan Trustee shall establish the following Reserves, as provided for in Article 7.C of the Plan.

a. Plan Trust Operating Expense Reserve

On the Effective Date, the Plan Trustee shall establish the Plan Trust Operating Expense Reserve to fund administrative and all other miscellaneous needs of the Plan Trust pursuant to the Plan, Confirmation Order and Plan Trust Agreement.

b. Administrative and Priority Claims Reserve

On the Effective Date, the Plan Trustee shall establish the Administrative and Priority Claims Reserve to fund all Administrative and Priority Claims pursuant to the Plan that are not Allowed as of the Effective Date.

c. Disputed Claims Reserves

Prior to making any Distributions on account of Unsecured Claims, the Plan Trustee shall establish the Disputed Claims Reserve on account of each applicable Debtor. Each Disputed Claims Reserve shall be for the payment of any Unsecured Claim that is a Disputed Claim, to the extent such Disputed Unsecured Claim becomes an Allowed Unsecured Claim against such Debtor.

d. General Provisions Regarding All Reserves

In determining the amount of such Reserves, the Plan Trustee may estimate a Claim based upon its own good faith determination of the Claim's value, or may accept the amount of a Claim at its face value as enumerated by the claimant in its Proof of Claim or as otherwise asserted by the claimant or estimated by the Bankruptcy Court. Each Reserve shall represent an allocation of Unencumbered Plan Trust Assets of the applicable Debtor's Estate consisting Cash; provided, however, that the Plan Trust Operating Expense Reserve shall represent an allocation of Unencumbered Plan Trust Assets of TBW's Estate consisting of Cash. The Plan Trustee shall not be required to establish and fund any Reserve with a separate deposit or investment account into which is deposited Unencumbered Plan Trust Assets of the applicable Estate. The Plan Trustee may, but shall not be required to, request that the Bankruptcy Court estimate the value of any Claim for purposes of setting the amount of any Reserve. If at any time the Plan Trustee determines that the amount allocated to any Reserve is insufficient to satisfy all Claims for which it is established, the Plan Trustee may allocate additional amounts to it from other Reserves for the applicable Debtor's Estate or from Unencumbered Plan Trust Assets of such Debtor's Estate consisting of Cash, without further notice or motion. The Plan Trustee may also decrease the amount allocated to any Reserve for any Estate as the Plan Trustee determines is appropriate. If any Creditor asserts that more than one Debtor is liable for an Administrative Expense Claim, Priority Tax Claim, Priority Claim or Disputed Claim, the Plan Trustee may allocate to the Reserve it deems appropriate on account of only one such Claim. All amounts allocated to any Reserve following the payment or resolution of all Claims for which such Reserve was established shall be available for Distribution to other claimants of such Debtor's Estate pursuant to the terms of the Plan and the Plan Trust Agreement.

3. Distribution Calculation

a. Calculation of Net Distributable Assets

The "Net Distributable Assets" of each Estate as of any date of determination is calculated under the Plan as follows: the total gross Unencumbered Cash proceeds of the Plan Trust Assets allocated to such Estate as of such date, less, to the extent applicable, the Plan Trust Operating Expenses that are outstanding and have not been paid and amounts allocated to the Plan Trust Operating Expense Reserve for such Estate, less the Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Priority Non-Tax Claims that are outstanding and have not been paid and amounts allocated to the Administrative and Priority Claims Reserve for such Estate, and less the amounts allocated to the Disputed Claims Reserve for such Estate. For avoidance of doubt, the Trade Creditor Recovery does not constitute Cash proceeds of Plan Trust Assets and shall not constitute Unencumbered Cash.

b. Calculation of Interim Distributions

The Plan Trustee may make interim Distributions:

(i) from Net Distributable Assets allocated to any Debtor's Estate, to Holders of Allowed Unsecured Claims against such Debtor, calculated as of the date of the interim Distribution; and

(ii) from amounts available for Distribution in respect of the FDIC GUC Claim, to Holders of Allowed Trade Claims up to the amount of the Trade Creditor Recovery, calculated as of the date of the interim Distribution.

4. Priorities

Unencumbered Cash available for interim Distributions pursuant to the Plan shall, with respect to each Debtor's Estate and subject to the terms of the Plan and the Plan Trust Agreement, be paid or allocated to Reserves established by the Plan Trustee in the following order of priority:

First, to pay all outstanding Plan Trust Operating Expenses, and to allocate to the Plan Trust Operating Expense Reserve as provided for in Article 7.C.1 of the Plan;

Second, to pay all Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims and Allowed Priority Claims against such Debtor's Estate, and to allocate to the Administrative and Priority Claims Reserve for such Debtor's Estate as provided for in Article 7.C.2 of the Plan; and

Third, to pay Net Distributable Assets to all Holders of Allowed Unsecured Claims against such Debtor's Estate in accordance with the Distribution Calculation in Article 7.D of the Plan, and to allocate to the Disputed

Claims Reserve for such Debtor's Estate as provided for in Article 7.C.3 of the Plan.

5. Calculation of Unsecured Claims

a. Payment in Full

Any Allowed Unsecured Claim is paid in full under the Plan at such time as the Holder of such Allowed Unsecured Claim has been paid the Allowed amount of such Allowed Unsecured Claim plus interest thereon (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court); provided, however, that where a Creditor holds Allowed Unsecured Claims for which more than one Debtor is liable, whether jointly, as co-obligor, pursuant to a Guaranty or otherwise, such Creditor is not entitled to receive Distributions under the Plan in excess of the Allowed amount of such Claim plus interest thereon (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court), and the Creditor's Allowed Unsecured Claim for which more than one Debtor is liable shall be deemed paid in full at such time as the Creditor has been paid the Allowed amount of one such Allowed Unsecured Claim plus interest thereon (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court).

b. Payment of Interest on Allowed Unsecured Claims

If, and only if, all Holders of Allowed Unsecured Claims against an applicable Debtor have been paid 100% of the amount of their Allowed Claims, such Holders shall be entitled to receive interest (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court) on account of such Allowed Claims, from any remaining proceeds realized from the liquidation or other disposition of Assets of such Debtor; provided, however, that with respect to Allowed Unsecured Claims for which more than one Debtor is liable, interest is payable on such Claims based on the Allowed amount of the joint liability fixed by such Claims.

6. Payment in Full of Allowed Unsecured Claims for Which More Than One Debtor is Liable.

To the extent that a Holder of Allowed Unsecured Claims for which more than one Debtor is liable is paid 100% of the Allowed amount of the joint liability fixed by such Claims through interim Distributions, the Plan Trustee shall retain any further interim Distributions that would be made on account of such Claims as if only one Debtor were liable for such Claim until the Plan Trustee makes a final Distribution under the Plan. Prior to making a final Distribution under the Plan, the Plan Trustee shall determine (with respect to every Allowed Unsecured Claim for which more than one Debtor is liable that has been paid 100% of the Allowed amount of the joint liability fixed by such Claim) the amount of Distributions in respect of such Claim made on account of such Debtor's Estate. The Plan Trustee shall reallocate the excess Distributions, if any, that it has retained among the liable Estates in proportion to the amount of Distributions made to Claims from such Estates on account of such joint liability.

7. Manner of Distribution

Notwithstanding any other provisions of the Plan or the Plan Trust Agreement providing for a Distribution or payment in Cash, at the option of the Plan Trustee, any Distributions under the Plan may be made either in Cash, by check drawn on a domestic bank, by wire transfer, or by ACH. Notwithstanding any other provisions of the Plan to the contrary, no payment of fractional cents will be made under the Plan. Any Cash Distributions or payments will be issued to Holders in whole cents (rounded to the nearest whole cent when and as necessary).

8. *De Minimis* Distributions

All *De Minimis* Distributions may be held by the Plan Trust for the benefit of the Holders of Allowed Claims entitled to *De Minimis* Distributions. When the aggregate amount of *De Minimis* Distributions held by the Plan Trust for the benefit of a Creditor exceeds $50.00, the Plan Trust may distribute such *De Minimis* Distributions to such Creditor. If, at the time that the final Distribution under the Plan is to be made, the *De Minimis* Distributions held by the Plan Trust for the benefit of a Creditor total less than $50.00, such funds shall be not distributed to such Creditor, but rather, shall constitute Plan Trust Assets and thus eligible to be to distributed to other Creditors.

9. Delivery of Distributions

Except as otherwise provided in the Plan, Distributions to Holders of Allowed Claims shall be made by the Debtors, if before the Effective Date, or the Plan Trustee, if on or after the Effective Date, (i) at the addresses set forth on any Proof of Claim Filed by such Holder (or at the last known addresses of such Holder if no motion requesting payment or Proof of Claim is Filed or the Debtors or the Plan Trustee have been notified in writing of a change of address), (ii) at the addresses set forth in any written notices of address changes Filed with the Bankruptcy Court and served on the Plan Trustee by such Holder after the date of any related Proof of Claim, or (iii) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and no written notice of address change has been Filed by such Holder with the Bankruptcy Court and served on the Plan Trustee.

10. Undeliverable Distributions

If any Distribution or other payment to the Holder of an Allowed Claim under the Plan is returned for lack of a current address for the Holder or otherwise, the Plan Trustee shall file with the Bankruptcy Court the name, if known, and last known address of the Holder and the reason for its inability to make payment. If, after the passage of 90 days, the Distribution or payment still cannot be made, the Plan Advisory Committee may elect either (i) that any further Distribution or payment to the Holder shall be distributed to the Holders of Allowed Claims in the appropriate Class or Classes or (ii) donated to a not-for-profit, non-religious organization approved by the Plan Advisory Committee. In either event, the Allowed Claim shall be deemed satisfied and released, with no recourse to the Plan Trust, the Plan

Trustee or the Plan Trust Assets, to the same extent as if the Distribution or payment had been made to the Holder of the Allowed Claim.

11. Setoffs and Recoupments

The Debtors, if before the Effective Date, or the Plan Trustee, if on or after the Effective Date, may, to the extent permitted by §§ 502(h), 553, and 558 of the Bankruptcy Code or applicable non-bankruptcy law, but shall not be required to, set off against or recoup from any Claim on which payments are to be made pursuant to the Plan, any Causes of Action of any nature whatsoever that the Debtors, the Estates, the Creditors' Committee or the Plan Trust may have against the Holder of such Claim; provided, however, that neither the failure to effect such offset or recoupment nor the allowance of any Claim shall constitute a waiver or release by the Debtors, the Estates, the Creditors' Committee or the Plan Trust of any right of setoff or recoupment that the Debtors, the Creditors' Committee, the Plan Trust or the Estates may have against the Holder of such Claim, nor of any other Cause of Action.

12. Distributions in Satisfaction; Allocation

Except for the obligations expressly imposed by the Plan and the property and rights expressly retained under the Plan, if any, the Distributions and rights that are provided in the Plan shall be in complete satisfaction and release of all Claims against, liabilities in, Liens on, obligations of and Interests in the Plan Trust or the Plan Trust Assets, whether known or unknown, that arose or existed prior to the Effective Date. Distributions received in respect of Allowed Unsecured Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest.

13. Cancellation of Notes, Agreements and Interests

a. Notes and Agreements

As of the Effective Date, all notes, agreements and securities evidencing Claims or Interests and the rights thereunder of the Holders thereof shall, with respect to the Debtors, the Estates or the Plan Trust, be deemed canceled, null and void, and of no further force and effect, and the Holders thereof shall have no rights against the Debtors, the Estates or the Plan Trust, except the right to receive the Distributions provided for in the Plan.

b. Interests

From and after the Effective Date, the Plan Trust shall be deemed the sole capital stockholder, shareholder or managing member, as applicable, of each of the Debtors and shall be vested with all the rights and powers exercisable by a sole capital stockholder, shareholder or managing member, as applicable, under the respective Debtor's corporate or limited liability company governance documents and applicable law.

14. No Interest on Claims

Unless otherwise specifically provided for in the Plan and except as set forth in Article 7 of the Plan, the Confirmation Order, or a post-petition agreement in writing between the Debtors and a Holder of a Claim and approved by an Order of the Bankruptcy Court, post-petition interest shall not accrue or be paid on any Claim, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. In addition, and without limiting the foregoing or any other provision of the Plan, Confirmation Order or Plan Trust Agreement, interest shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes an Allowed Claim.

15. Withholding Taxes

The Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date, shall be entitled to deduct any federal, state or local withholding taxes from any payments under the Plan. As a condition to making any Distribution under the Plan, the Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date, may require that the Holder of an Allowed Claim provide such Holder's taxpayer identification number and such other information and certification as may be deemed necessary for the Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date, to comply with applicable tax reporting and withholding laws. Failure of a Holder of any Allowed Claim to provide such Holder's taxpayer identification number and such other information and certification may result in forfeiture of such Holder's right to Distributions in respect of its Claim.

16. Reports

The Plan Trustee shall submit such reports as it deems reasonable to the Plan Advisory Committee, including, without limitation, reports on the commencement and prosecution of Causes of Action and the proceeds of liquidation of the Trust Assets. The Plan Trustee shall also report to the Plan Advisory Committee, at the request of any member of the Plan Advisory Committee, on any matter that reasonably relates to the Plan Trust Assets; provided, however, that in providing such reports the Plan Trustee shall not take any action that will in any way infringe on attorney-client privilege or jeopardize the viability of on-going litigation by reporting on Causes of Action directly or indirectly to any interested parties that may be on the Plan Advisory Committee.

F. Claims Administration; Disputed Claims

1. Reservation of Rights to Object to Claims and Interests

Unless a Claim or Interest is expressly described as an Allowed Claim or Allowed Interest pursuant to or under the Plan, or otherwise becomes an Allowed Claim or Allowed Interest prior to the Effective Date, upon the Effective Date, the Plan Trustee shall be deemed to have a reservation of any and all rights, interests and objections of the Debtors, the Creditors' Committee or the Estates to any and all Claims or Interests and motions or

requests for payment. The Plan Proponents' failure to object to any Claim or Interest in the Chapter 11 Cases shall be without prejudice to the Plan Trustee's rights to contest or otherwise defend against such Claim or Interest in the Bankruptcy Court when and if such Claim is sought to be enforced by the Holder of such Claim or Interest.

2. Objections to Claims and Interests

Prior to the Effective Date, the Plan Proponents shall be responsible for pursuing any objection to the allowance of any Claim or Interest. From and after the Effective Date, the Plan Trustee shall retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving Claims and Interests and making Distributions, if any, with respect to all Claims and Interests (including those Claims or Interests that are subject to objection by the Debtors as of the Effective Date), subject to any approvals of the Plan Advisory Committee that may be required.

3. Service of Objections

An objection to a Claim or Interest shall be deemed properly served on the Holder of such Claim or Interest if the Plan Trustee effects service by any of the following methods: (i) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) to the extent counsel for such Holder is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or Interest or other representative identified on the Proof of Claim or Interest or any attachment thereto; or (iii) by first class mail, postage prepaid, on any counsel that has appeared on the behalf of such Holder in the Chapter 11 Cases.

4. Determination of Claims

Except as otherwise agreed by the Plan Proponents or the Plan Trustee, any Claim as to which a Proof of Claim or motion or request for payment was timely Filed in the Chapter 11 Cases, or deemed timely Filed by Order of the Bankruptcy Court, may be adjudicated or otherwise liquidated pursuant to (i) an Order of the Bankruptcy Court, (ii) applicable bankruptcy law, (iii) agreement of the parties without the need for Bankruptcy Court approval, (iv) applicable non-bankruptcy law, or (v) the lack of (a) an objection to such Claim, (b) an application to equitably subordinate such Claim or (c) an application to otherwise limit recovery with respect to such Claim, Filed by any of the Plan Proponents, the Plan Trustee, or any other party in interest on or prior to any applicable deadline for Filing such objection or application with respect to such Claim. Any such Claim so determined and liquidated shall be deemed to be an Allowed Claim for such liquidated amount and shall be satisfied in accordance with the Plan. Nothing contained in Article 8 of the Plan shall constitute or be deemed a waiver of any rights, interests, objections or Causes of Action that any of the Plan Proponents or the Plan Trustee may have against any Person in connection with or arising out of any Claim, including without limitation any rights under 28 U.S.C. § 157.

5. No Distributions on Disputed Claims Pending Allowance

No payments or Distributions shall be made with respect to all or any portion of a Disputed Claim, including any Distribution of Assets securing such Disputed Claim or as to which there are competing claims of ownership, unless and until (i) all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, (ii) the Disputed Claim has become an Allowed Claim, and (iii) all conflicting Lien or ownership rights in any Assets securing or evidencing such Allowed Claim have been settled or withdrawn or have been determined by a Final Order; provided, however, that in the event that (x) a portion of such Claim is an Allowed Claim, or (y) a portion of the Assets securing or evidencing any Claim is not subject of conflicting Claims of Lien or ownership rights, the Plan Trustee may, in his discretion, make a Distribution pursuant to the Plan on account of the portion of such Claim that is an Allowed Claim and the portion of such Assets as to which there are no conflicting Claims.

6. Claim Estimation for Disputed Claims

In order to effectuate Distributions pursuant to the Plan and avoid undue delay in the administration of the Chapter 11 Cases, any of the Plan Proponents (if before the Effective Date) and the Plan Trustee (if on or after the Effective Date), after notice and a hearing (which notice may be limited to the Holder of such Disputed Claim), shall have the right to seek an Order of the Bankruptcy Court, pursuant to § 502(c) of the Bankruptcy Code, estimating or limiting the amount of (i) property that must be withheld from or reserved for Distribution purposes on account of any Disputed Claim, (ii) such Claim for Claim allowance or disallowance purposes, or (iii) such Claim for any other purpose permitted under the Bankruptcy Code; provided, however, that the Bankruptcy Court shall determine (i) whether such Claims are subject to estimation pursuant to § 502(c) of the Bankruptcy Code and (ii) the timing and procedures for such estimation proceedings, if any.

Allowance of Claims shall be in all respects subject to the provisions of § 502 of the Bankruptcy Code, including without limitation subsections (b), (d), (e), (g), (h), and (i) thereof.

G. Executory Contracts and Unexpired Leases; Employee Benefit Plans

1. Rejection of Unassumed Executory Contracts and Unexpired Leases

On the Effective Date, except for any Executory Contract (i) that was previously assumed or rejected by an Order of the Bankruptcy Court or otherwise pursuant to § 365 of the Bankruptcy Code or (ii) that is subject to a pending motion to assume or reject before the Bankruptcy Court, each Executory Contract entered into by any of the Debtors prior to the Petition Date that has not previously expired or terminated pursuant to its own terms, shall be rejected pursuant to §§ 365 and 1123 of the Bankruptcy Code, effective as of the Confirmation Date. The Confirmation Order shall constitute an Order of the Bankruptcy Court approving such rejection pursuant to §§ 365 and 1123 of the Bankruptcy Code as of the Confirmation Date.

2. Employee Benefit Plans

Without limiting the generality of Article 9.A of the Plan discussed above, and for the avoidance of doubt, all employment and severance policies, and all compensation and benefit plans, policies, and programs of the Debtors applicable to their employees, retirees and non-employee directors and the employees and retirees of their subsidiaries, including all savings plans, retirement plans, pension plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life and accidental death and dismemberment insurance plans, shall be deemed and treated as Executory Contracts that are rejected by the Debtors pursuant to the Plan and § 365 of the Bankruptcy Code as of the Effective Date.

3. Rejection Damages Bar Date

Except to the extent that another Bar Date applies pursuant to an order of the Bankruptcy Court, any Proofs of Claim with respect to a Claim arising from the rejection of Executory Contracts under the Plan (including Claims under § 365(d)(3) of the Bankruptcy Code) must be Filed by (i) regular mail to BMC Group, Inc. Attn: Taylor Bean & Whitaker Mortgage Corp. Claims Processing, P.O. Box 3020, Chanhassen MN 55317-3020, or (ii) by hand, courier, or overnight delivery to BMC Group, Inc. Attn: Taylor, Bean & Whitaker Mortgage Corp., Claims Processing, 18750 Lake Drive East, Chanhassen, MN 55317, within 30 days after the Effective Date, or such Claim shall not be entitled to a Distribution or be enforceable against the Debtors' Estates, the Plan Trust, the Plan Trustee, their successors, their assigns, or their Assets. Any Allowed Claim arising from the rejection of an Executory Contract shall be treated as a Claim in TBW Class 8, HAM Class 3 or REO Class 3 (General Unsecured Claims), as applicable. Nothing in the Plan extends or modifies any previously applicable Bar Date.

4. Insurance Policies

a. Assumption or Rejection

To the extent that any or all of the insurance policies described in the Plan Supplement (referred to as the "Designated Insurance Policies") are considered to be Executory Contracts, then notwithstanding anything contained in the Plan to the contrary, the Plan shall constitute a motion to assume the Designated Insurance Policies in connection with the Plan and to assign them to the Plan Trust. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption and assignment pursuant to § 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the Debtors, the Estates, and all parties in interest in the Chapter 11 Cases. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to each Designated Insurance Policy. To the extent that the Bankruptcy Court determines otherwise with respect to any Designated Insurance Policy, the Debtors reserve the right to seek rejection of such insurance policy or other available relief. The

Plan shall not affect contracts that have been assumed and assigned by Order of the Bankruptcy Court prior to the Confirmation Date.

b. Vest as Plan Trust Assets

For the avoidance of doubt, all rights under any Designated Insurance Policy that is not considered to be an Executory Contract, and all rights under any other insurance policies under which the Debtors may be beneficiaries (including the rights to make, amend, prosecute and benefit from claims), shall be preserved and shall vest in the Plan Trust pursuant to Article 6.F.1 of the Plan and § 1123(a)(5)(B) of the Bankruptcy Code.

H. **Exculpations and Releases**

1. Debtor's Exculpation and Release of Chapter 11 Protected Parties

Except as otherwise specifically provided in the Plan, pursuant to § 1123(b)(3)of the Bankruptcy Code, as of the Effective Date, the Debtors and their Estates exculpate, release and discharge the following (referred to in the Plan, collectively, as the "Chapter 11 Protected Parties"): (1) Neil F. Luria, Jeffery W. Cavender, Matthew E. Rubin, William Maloney and R. Bruce Layman, each of whom serves as a current officer or director of one or more of the Debtors, (2) TBW's Creditors' Committee, its members, and their respective directors, officers, employers, employees, and counsel, (3) Navigant, Stichter Riedel, Troutman Sanders, and Berger Singerman, and their respective officers, directors, partners, employees and equity holders. The exculpation, release and discharge by the Debtors and their Estates of the Chapter 11 Protected Parties is from any Claim, obligation, Cause of Action or liability, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law or in equity, which is based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating to the Chapter 11 Cases, except those resulting solely from such Person's gross negligence or willful misconduct, as adjudicated by a Final Order, and including but not limited to acts or omissions in connection with the commencement and administration of the Chapter 11 Cases, the Investigation, the sale of assets, the arranging for post-petition financing, the prosecution and defense of contested matters and adversary proceedings, the settlement of Claims and the disbursement of funds, the administration of TBW'S ESOP, and the promulgation of the Plan and solicitation of acceptances thereto (referred to in the Plan, collectively, as the "Chapter 11 Released Claims"). The scope of the Debtors' exculpation, release and discharge includes Chapter 11 Released Claims that could have been asserted derivatively on behalf of the Debtors or their Estates, but does not include any Avoidance Action or any prepetition Claim, obligation, Cause of Action or liability based on money borrowed from or owed to the Debtors as set forth in the Debtors' books and records.

2. Further Exculpation and Release of Chapter 11 Protected Parties

Except as otherwise specifically provided in the Plan, pursuant to § 1123(b)(3) of the Bankruptcy Code, as of the Effective Date, the Chapter 11 Protected Parties shall be exculpated, and released from all Chapter 11 Released Claims by each other, by any Holder of a Claim or Interest, by any party in interest, and by their respective agents, employees, successors and assigns. Without limiting the generality of the foregoing, each Chapter 11 Protected Party shall be entitled to and granted the protections and benefits of § 1125(e) of the Bankruptcy Code.

3. Release of the Federal Deposit Insurance Corporation

On and effective as of the Effective Date, (a) the Debtor, the Debtor's Estate, all of the Debtor's creditors, and any other parties in interest, each of their respective subsidiaries and affiliates and the predecessors, successors and assigns of any of them and any other Person that claims or might claim through, on behalf of or for the benefit of any of the foregoing, whether directly or derivatively, and (b) the Committee (defined in the Plan as, collectively, the "Non-FDIC Releasors") shall be deemed to have irrevocably and unconditionally, fully, finally, and forever waived, released, acquitted and discharged the Federal Deposit Insurance Corporation in its capacity as receiver of Colonial Bank and in its corporate capacity, their respective past or present parent entities, subsidiaries, affiliates, directors, officers, employees, professionals and the predecessors, successors and assigns of any of these (defined in the Plan as, collectively, the "FDIC Releasees") from any and all Claims, demands, rights, liabilities, or Causes of Action of any and every kind, character or nature whatsoever, in law or in equity, known or unknown, whether asserted or unasserted, which the Non-FDIC Releasors, or any of them, or anyone claiming through them, on their behalf or for their benefit, have or may have or claim to have, now or in the future, against any FDIC Releasee (i) that are released or deemed to be released pursuant to the Plan, (ii) any and all Claims that arise in, relate to or have been or could have been asserted in the Chapter 11 Case, the FDIC Stipulation, the Motion for Relief from the Automatic Stay Pursuant to § 362, filed by FDIC in the Chapter 11 Case on August 28, 2009 (defined in the Plan as the "Stay Relief Motion"), the Emergency Motion for Turnover, Approval of Procedures for the Maintenance and Use of Borrower Payments, and Immediate Resolution of Related Issues, filed by the Debtor in the Chapter 11 Case on August 31, 2009 (defined in the Plan as the "Turnover Motion" and together with the Stay Relief Motion, the "Actions"), the Plan and the negotiations and compromises set forth in the FDIC Settlement Agreement and the Plan, or otherwise that are based upon, related to, or arise out of or in connection with the Actions or any Claim, act, fact, transaction, occurrence, statement, or omission in connection with or alleged or that could have been alleged in the Actions, including, without limitation, any such Claim, demand, right, liability, or Cause of Action for indemnification, contribution, or any other basis in law or equity for damages, costs or fees incurred by the Non-FDIC Releasors arising directly or indirectly from or otherwise relating to the Actions (defined in the Plan as, collectively, the "FDIC Released Claims"). Notwithstanding anything in Article 10.C of the Plan to the contrary, (A) the foregoing is not intended to release, nor shall it have the effect of releasing, the FDIC Releasees from the performance of their obligations in accordance with

the FDIC Settlement Agreement or the FDIC Stipulation, (B) each Non-FDIC Releasor shall retain the right to assert any and all FDIC Released Claims by way of setoff, contribution, contributory or comparative fault or in any other defensive manner in the event that such Non-FDIC Releasor is sued on any FDIC Released Claim by an FDIC Releasee or any other Person (but solely as a defense against the Claims of such Person and not for purposes of obtaining an affirmative recovery for the benefit of the Non-FDIC Releasor) and such FDIC Released Claim shall be determined in connection with any such litigation as if the provisions of Article 10.C of the Plan were not effective, (C) the foregoing is not intended to release, nor shall it have the effect of releasing, the FDIC Releasees from matters related to Platinum Community Bank, including, without limitation, issues associated with Platinum bank accounts and the Platinum related loans service released after September 4, 2009, (D) the foregoing is not intended to release, nor shall it have the effect of releasing, any releasee or any Person of Claims that may be held or asserted by the Federal Deposit Insurance Corporation in any capacity (including, without limitation, as regulator or as receiver for any failed depository institution other than the Debtor), to the extent that any such Claims are unrelated to the Debtor, its Chapter 11 Case, the Debtor Released Claims (defined below) or the FDIC Released Claims, and (E) the foregoing release is not intended to release, nor shall it have the effect of releasing, any claims filed in the FDIC receivership of Colonial Bank. Notwithstanding anything herein to the contrary, the term FDIC Releasee shall not include, and the release contemplated hereby shall not release, the Federal Deposit Insurance Corporation in its capacity as a receiver of, or in connection with its oversight of, any financial institution other than Colonial Bank.

4. Release by the Federal Deposit Insurance Corporation

On and effective as of the Effective Date, the FDIC in its capacity as Receiver of Colonial Bank and its subsidiaries and affiliates and the predecessors, successors and assigns of any of them and any other person that claims or might claim through, on behalf of or for the benefit of any of the foregoing, whether directly or derivatively (defined in the Plan as, collectively, the "FDIC Releasors"), shall be deemed to have irrevocably and unconditionally, fully, finally, and forever waived, released, acquitted and discharged the Debtor, the Debtor's Estate, the Debtor's current directors, officers, employees and professionals, the Creditors' Committee, and the Creditors' Committee's professionals (defined in the Plan as, collectively, the "Debtor Releasees") from any and all Claims, demands, rights, liabilities, or causes of action of any and every kind, character or nature whatsoever, in law or in equity, known or unknown, whether asserted or unasserted, which the FDIC Releasors or any of them, or anyone claiming through them, on their behalf or for their benefit have or may have or claim to have, now or in the future, against any Debtor Releasee (i) that are released or deemed to be released pursuant to the Plan, (ii) any and all Claims that arise in, relate to or have been or could have been asserted in the Chapter 11 Case, the FDIC Stipulation, the Actions, the Plan and the negotiations and compromises set forth in the FDIC Settlement Agreement and the Plan, or otherwise are based upon, related to, or arise out of or in connection with any of the Debtor's assets or any assets to be received by the Debtor as provided in the FDIC Settlement Agreement, or otherwise are based upon, related to, or arise out of or in connection with the Actions or any Claim, act, fact, transaction, occurrence, statement or omission in connection with, or

alleged or that could have been alleged in the Actions, including, without limitation, any such Claim, demand, right, liability, or cause of action for indemnification, contribution, or any other basis in law or equity for damages, costs or fees incurred by the FDIC Releasors arising directly or indirectly from or otherwise relating to the Actions (defined in the Plan as, collectively, the "Debtor Released Claims"). Notwithstanding anything contained in Article 10.D of the Plan or elsewhere to the contrary, (a) the foregoing is not intended to release, nor shall it have the effect of releasing, (i) the Debtor Releasees from the performance of their obligations in accordance with the FDIC Settlement Agreement, (ii) any Claims against any former (*i.e.*, not current) officers, directors, employees, agents, fiduciaries, subsidiaries, accountants, auditors, attorneys, appraisers, joint tortfeasors, or contractors of TBW, including without limitation Lee Farkas, Desiree Brown, Paul Allen, Delton DeArmas, or their insurers, based upon alleged conduct that caused the damages set forth in the FDIC Proof of Claim, (iii) any Claims against Bank of America, N.A., and Bank of America, N.A., as successor by merger to LaSalle Bank, N.A. and LaSalle Global Trust Services, Ocala Funding, LLC, any Person to which TBW or any of its employees, officers, directors, or subsidiaries transferred any asset or interest in any asset, or their insurers, (iv) any Claims or prospective Claims which may be asserted by an insurer of Colonial Bank, including without limitation Federal Insurance Company, by way of subrogation or assignment pursuant to any insurance policy or financial institution bond, including those Claims arising out of conduct described in the Proof of Loss submitted to Federal Insurance Company on February 1, 2010 or (v) any Claims described in Section 1.3(b)(i) of the FDIC Settlement Agreement. Further, notwithstanding anything contained in Article 10.D of the Plan or elsewhere to the contrary, (b) each FDIC Releasor shall retain the right to assert any and all Debtor Released Claims by way of setoff, contribution, contributory or comparative fault or in any other defensive manner in the event that such FDIC Releasor is sued on any Debtor Released Claim by a Debtor Releasee or any other Person (but solely as a defense against the Claims of such Person and not for purposes of obtaining an affirmative recovery for the benefit of the FDIC Releasor) and such Debtor Released Claim shall be determined in connection with any such litigation as if the provisions of Article 10.D of the Plan were not effective.

5. Limitation on Release

Except as provided in Articles 10.A, 10.B, and 10.C. of the Plan (described above in subsection 1, 2 and 3 of this Section VI.H), no provision of the Plan, the Disclosure Statement, or the Confirmation Order shall be deemed to act upon or release any Causes of Action or any rights to payment that the Plan Trust, the Estates, or any party in interest may have against any Person for any act, omission, or failure to act that occurred prior to the Petition Date other than the Chapter 11 Released Claims.

I. **Effect of Confirmation and Injunction.**

1. Plan Injunction

Except as otherwise expressly provided in the Plan, the documents executed pursuant to the Plan, or the Confirmation Order, on and after the Effective Date, all

Persons who have held, currently hold, or may hold Claims against or Interests in the Debtors or the Estates that arose prior to the Effective Date (including all Governmental Authorities) shall be permanently enjoined from, on account of such Claims or Interests, taking any of the following actions, either directly or indirectly, against or with respect to any Debtor, any Estate, any Chapter 11 Protected Party, any Plan Trust Exculpated Party, or the Plan Trust, or any of their respective properties: (i) commencing or continuing in any manner any action or other proceeding of any kind; (ii) enforcing, executing, collecting, or recovering in any manner any judgment, award, decree, or order, or attaching any property pursuant to the foregoing; (iii) creating, perfecting, or enforcing any Lien or encumbrance of any kind; (iv) asserting or effecting any setoff, recoupment, or right of subrogation of any kind against any Claim or Cause of Action; (v) enjoining or invalidating any foreclosure or other conveyance of a Plan Trust Asset or Asset of any Debtor; and (vi) taking any act, in any manner, in any place whatsoever, that does not conform to, comply with, or that is inconsistent with any provision of the Plan. Any Person injured by any willful violation of such injunction may recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages from the willful violator. This injunction shall not enjoin or prohibit (i) the Holder of an Disputed Claim from litigating its right to seek to have such Disputed Claim declared an Allowed Claim and paid in accordance with the Distribution provisions of the Plan or (ii) any party at interest from seeking the interpretation or enforcement of any of the obligations of the Debtors, the Plan Trustee, or the Plan Trust under the Plan. The Confirmation Order also shall constitute an injunction enjoining any Person from enforcing or attempting to enforce any Claim or cause of action against any Debtor, any Estate, any Chapter 11 Protected Party, any Plan Trust Exculpated Party, or the Plan Trust, or any of their respective properties, based on, arising from or related to any failure to pay, or make provision for payment of, any amount payable with respect to any Priority Tax Claim on which the payments due under the Plan have been made or are not yet due.

2. Continuation of Existing Injunctions and Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under §§ 105 or 362 of the Bankruptcy Code, the Plan, by Orders of the Bankruptcy Court, or otherwise, and extant on the Confirmation Date, shall remain in full force and effect until the later of (i) entry of the Final Decree or (ii) the dissolution of the Plan Trust.

3. Binding Effect of Plan

Except as otherwise provided in § 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, subject to the occurrence of the Effective Date, the provisions of the Plan shall bind any Holder of a Claim against, or Interest in, the Debtors, the Estates and their respective successors or assigns, whether or not the Claim or Interest of such Holder is impaired under the Plan, whether or not such Holder has accepted the Plan and whether or not the Holder has Filed a Claim. The rights, benefits and obligations of any Person named

or referred to in the Plan, whose actions may be required to effectuate the terms of the Plan, shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor or assign of such Person (including, without limitation, any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

4. No Effect on Objections to Fee Applications

Except as provided in Article 3.A.3(b) of the Plan discussed above, nothing contained in the Plan shall affect the rights of parties in interest to object to Fee Applications or obviate the power of the Bankruptcy Court to issue Orders with respect to Fee Applications.

J. Conditions Precedent to Effective Date; Revocation, Withdrawal, or Non-Consummation of the Plan

The Plan shall not become effective unless and until each of the following conditions shall have been satisfied in full in accordance with the provisions specified below:

- **Approval of Disclosure Statement.** The Bankruptcy Court shall have approved a disclosure statement to the Plan in form and substance acceptable to the Plan Proponents.

- **Approval of Plan Compromises.** The compromises and settlements contained in the Plan shall be approved without material modification by a Final Order in accordance with Bankruptcy Rule 9019 and shall be binding and enforceable against all Holders of Claims and Interests under the terms of the Plan.

- **Form of Confirmation Order.** The Confirmation Order shall be in form and substance acceptable to the Plan Proponents.

- **Entry of Confirmation Order.** (a) The Confirmation Order (i) shall have been entered by the Bankruptcy Court, (ii) shall not be subject to any stay of effectiveness, and (iii) shall have become a Final Order, (b) the Confirmation Date shall have occurred, and (c) no request for revocation of the Confirmation Order under § 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending.

- **Plan Trust.** The Plan Trust shall have been formed, and all formation documents for the Plan Trust shall have been properly executed and Filed as required by the Plan and applicable law.

- **Plan Trustee.** The appointment of the Plan Trustee shall have been confirmed by Order of the Bankruptcy Court.

If, after the Confirmation Order is entered, each of the conditions to effectiveness cannot be satisfied or has not been waived by the Plan Proponents, then upon motion by the Plan Proponents, the Confirmation Order may be vacated by the Bankruptcy Court; provided,

however, that notwithstanding the Filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to effectiveness is either satisfied or duly waived before the Bankruptcy Court enters an Order granting the relief requested in such motion. As used in the preceding sentence, a condition to effectiveness may be waived only by a writing executed by the Plan Proponents. If the Confirmation Order is vacated pursuant to Article 12.B of the Plan, the Plan shall be null and void in all respects, and nothing contained in the Plan, the Disclosure Statement, or any pleadings Filed in connection with the approval thereof shall (i) constitute a waiver or release of any Claims against or Interests in the Debtors, (ii) prejudice in any manner the rights of the Holder of any Claim against or Interest in the Debtors, (iii) prejudice in any manner the rights of the Debtors in the Chapter 11 Cases, or (iv) constitute an admission of any fact or legal position or a waiver of any legal rights held by any party prior to the Confirmation Date.

K. Miscellaneous Provisions

1. Retention of Jurisdiction

Pursuant to §§ 105, 1123(a)(5), and 1142(b) of the Bankruptcy Code, on and after the Confirmation Date, the Bankruptcy Court shall retain jurisdiction to the fullest extent permitted by 28 U.S.C. §§ 1334 and 157, including jurisdiction for the following purposes: (i) to hear and determine the Chapter 11 Cases and all core proceedings arising under the Bankruptcy Code or arising in the Chapter 11 Cases, including, without limitation, matters concerning the interpretation, implementation, consummation, execution, or administration of the Plan, the Plan Trust Agreement or the Confirmation Order, and (ii) to hear and make proposed findings of fact and conclusions of law in any non-core proceedings related to the Chapter 11 Cases. Without limiting the generality of the foregoing, the Bankruptcy Court's post-Confirmation Date jurisdiction shall include jurisdiction:

- over all Causes of Action (including, without limitation, Avoidance Actions) and proceedings to recover Assets of the Estates or of the Plan Trust, wherever located;
- over motions to assume, reject, or assume and assign executory contracts or unexpired leases, and the allowance or disallowance of any Claims resulting therefrom;
- over disputes concerning the ownership of Claims or Interests;
- over disputes concerning any Distribution under the Plan;
- over objections to Claims, motions to allow late-Filed Claims, and motions to estimate Claims;
- over proceedings to determine the validity, priority or extent of any Lien asserted against property of the Debtors, the Estates, or the Plan

Trust, or property abandoned or transferred by the Debtors, the Estates, or the Plan Trustee;

- over proceedings to determine the amount, if any, of interest to be paid to Holders of Allowed Unsecured Claims, if any Allowed Unsecured Claims are paid in full pursuant to the terms of the Plan;

- over matters related to the assets of the Estates or of the Plan Trust, including, without limitation, liquidation of Plan Trust Assets; provided, however, that subject to the terms of the Plan Trust Agreement and any requisite approval of the Plan Advisory Committee, the Plan Trustee shall have no obligation to obtain the approval or authorization of the Bankruptcy Court or file a report to the Bankruptcy Court concerning the sale, transfer, assignment or other disposition of Plan Trust Assets; and provided, further, that the Plan Trustee may seek Orders of the Bankruptcy Court approving the sale, transfer, assignment or other disposition of Plan Trust Assets as appropriate to facilitate such transactions;

- over matters relating to the subordination of Claims or Interests;

- to enter and implement such Orders as may be necessary or appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

- to consider and approve modifications of or amendments to the Plan, to cure any defects or omissions, or to reconcile any inconsistencies in any Order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

- to issue Orders in aid of execution, implementation, or consummation of the Plan;

- over disputes arising from or relating to the Plan, the Confirmation Order, or any agreements, documents, or instruments executed in connection therewith;

- over requests for allowance or payment of Claims entitled to priority under § 507(a)(2) of the Bankruptcy Code and any objections thereto;

- over all Fee Applications;

- over matters concerning state, local or federal taxes in accordance with §§ 346, 505, and 1146 of the Bankruptcy Code;

- over conflicts and disputes between the Plan Trustee, the Plan Trust, the Plan Advisory Committee, and Holders of Claims or Interests;

- over disputes concerning the existence, nature or scope of a Debtor's liability, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

- over matters concerning the Debtors' insurance policies, if any, including jurisdiction to re-impose the automatic stay or its applicable equivalent provided in the Plan;

- to issue injunctions, provide declaratory relief, or grant such other legal or equitable relief as may be necessary or appropriate to restrain interference with the Plan, the Debtors, the Estates or their property, the Creditors' Committee, the Plan Trust or its property, the Plan Trustee, the Plan Advisory Committee, any Professional, or the Confirmation Order;

- to enter a Final Decree closing the Chapter 11 Cases;

- to enforce all Orders previously entered by the Bankruptcy Court; and

- over any and all other suits, adversary proceedings, motions, applications, and contested matters that may be commenced or maintained pursuant to the Chapter 11 Cases or the Plan.

The preceding list is non-exhaustive, it being the intent of the Debtors as set forth in the Plan that the Bankruptcy Court retain subject-matter jurisdiction to the maximum extent permitted by applicable law, which will maximize the Plan Trustee's flexibility when choosing the forum for the liquidation of litigation Assets. Retention of jurisdiction by the Bankruptcy Court will benefit all creditors of the Estates as to those litigation Assets for which the Bankruptcy Court proves to be the most economical and/or efficient forum. In addition, with respect to controversies asserting common questions of law on which the Bankruptcy Court has already promulgated the law of the case and/or the United States District Court for the Middle District of Florida or the Eleventh Circuit Court of Appeals has provided (or will provide) definitive guidance, prosecution of Causes of Action in the Bankruptcy Court may provide certainty of outcome (and resulting reduction in litigation expenses) not attainable outside of the Bankruptcy Court in a jurisdiction that will consider previously settled questions of law anew.

Designated Causes of Action

Prior to the Petition Date, one or more Debtors, as plaintiff(s), asserted Causes of Action against various defendants in a variety of state and federal jurisdictions within the United States, which Causes of Action include, without limitation, the follow mortgage fraud actions:

Taylor, Bean & Whitaker Mortgage Corp. v. Lennar Corp., et al., Circuit Court for the Twentieth Judicial Circuit, Lee County, Florida, Case No. 08-CA-021081

Taylor, Bean & Whitaker Mortgage Corp. v. Triduanum Financial, Inc., et al., United States District Court for the Eastern District of California, Civil Action No. 09-CV-00954-FCD

Taylor, Bean & Whitaker Mortgage Corp. v. Clarion Mortgage Capital, Inc. et al, United States District Court for the District of Colorado, Civil Action No. 1:08-CV-1613

As of the Petition Date, litigation concerning several the foregoing claims was currently pending. The Debtors anticipate further investigation may reveal other Causes of Action on similar grounds, which Causes of Action (along with the Causes of Action pending as of the Petition Date) may be asserted in the Bankruptcy Court under the Plan's provisions regarding the retention of subject-matter jurisdiction.

The enumeration of Causes of Action in the foregoing shall be without prejudice to the retention of jurisdiction over any Cause of Action discovered by the Debtors or the Plan Trustee after the date of this Disclosure Statement.

2. Final Order

Except as otherwise expressly provided in the Plan, any requirement in the Plan for a Final Order may be waived by the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if after the Effective Date) upon written notice to the Bankruptcy Court. No such waiver shall prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

3. Amendments and Modifications

The Plan Proponents may modify the Plan at any time prior to the Confirmation Hearing in accordance with § 1127(a) of the Bankruptcy Code. After the Confirmation Date and prior to "substantial consummation" (as such term is defined in § 1101(2) of the Bankruptcy Code) of the Plan with respect to any Debtor, the Plan Proponents or the proposed Plan Trustee, as appropriate, may modify the Plan in accordance with § 1127(b) of the Bankruptcy Code by Filing a motion on notice to only the Persons listed on the service list established by the Bankruptcy Court pursuant to Bankruptcy Rule 2002, and the solicitation of all Creditors and other parties in interest shall not be required unless directed by the Bankruptcy Court.

4. Tax Exemption

Pursuant to § 1146 of the Bankruptcy Code, the issuance, transfer or exchange of any security, or the execution, delivery or recording of an instrument of transfer on or after the Confirmation Date shall be deemed to be made pursuant to and under the Plan, including, without limitation, any such acts by the Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date (including, without limitation, any subsequent transfers of property by the Plan Trust or the Plan Trustee), and shall not be taxed under any law imposing a stamp tax, transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental authority in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order and the Plan, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax or similar tax.

5. Non-Severability

Except as specifically provided in the Plan, the terms of the Plan constitute interrelated compromises and are not severable, and no provision of those Articles may be stricken, altered, or invalidated, except by amendment of the Plan by the Plan Proponents.

6. Revocation

The Plan Proponents reserve the right to revoke and withdraw the Plan prior to the Confirmation Date in whole or as to any one or more of the Debtors. Without limiting the foregoing, if the Plan Proponents withdraw the Plan as to either Debtor/REO Specialists or Debtor/HAM, then Debtor and any remaining co-Debtor, with the consent of the Creditors' Committee, may proceed to seek confirmation of the Plan as to them. If the Plan is revoked or withdrawn for all the Debtors, the Plan shall be null and void. If the Plan is null and void as to any or all of the Debtors, nothing contained in the Plan shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, the Creditors' Committee, or any other Person or to prejudice in any manner the rights of the Debtors, the Creditors' Committee, or any other Person in any further proceedings involving the Debtors, or be deemed an admission by the Debtors or the Creditors' Committee, including with respect to the amount or allowability of any Claim or the value of any property of the Estates.

7. Controlling Documents

a. In the event and to the extent that any provision of the Plan or the Plan Trust Agreement is inconsistent with any provision of the Disclosure Statement, the provisions of the Plan or Plan Trust Agreement, as applicable, shall control and take precedence. In the event and **to** the extent that any provision of the Plan is inconsistent with any provision of the Plan Trust Agreement, the Plan Trust Agreement shall control and take precedence. In the event and to the extent that any provision of the Confirmation Order is inconsistent with any provision of the Plan or the Plan Trust Agreement, the provisions of the Confirmation Order shall control and take precedence.

b. In the event and to the extent that any provision of the Plan or the FDIC Settlement Agreement is inconsistent with any provision of the Disclosure Statement, the provisions of the Plan or the FDIC Settlement Agreement, as applicable, shall control and take precedence. In the event and to the extent that any provision of the Plan is inconsistent with any provision of the FDIC Settlement Agreement, the FDIC Settlement Agreement shall control and take precedence. In the event and to the extent that any provision of the Confirmation Order is inconsistent with any provision of the Plan or the FDIC Settlement Agreement, the provisions of the Confirmation Order shall control and take precedence.

8. Governing Law

Except to the extent that a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or unless specifically stated, the rights, duties, and obligations arising under the Plan, any agreements, documents, and instruments executed in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control) and, with respect to the Debtors' corporate governance matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to conflicts of law principles.

9. Filing of Additional Documents

On or before "substantial consummation" (as such term is defined in § 1101(2) of the Bankruptcy Code) of the Plan, the Plan Proponents may File with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate and further evidence the terms and conditions of the Plan.

L. Cramdown and Bankruptcy Rule 9019 Requests

The Plan Proponents request confirmation of the Plan as a Cramdown Plan with respect to any Impaired Class that does not accept the Plan or is deemed to have rejected the Plan. If confirmation in the case of REO Specialists and Home America Mortgage or both is denied, confirmation is requested with respect to TBW and any Debtor as to which confirmation is not denied.

VII. CERTAIN FACTORS TO BE CONSIDERED REGARDING THE PLAN

Holders of Claims against the Debtors should read and consider carefully the factors set forth below, as well as the other information set forth in this Disclosure Statement (and the documents delivered together herewith and/or incorporated by reference), prior to voting to accept or reject the Plan. These risk factors should not, however, be regarded as constituting the only risks involved in connection with the Plan and its implementation.

A. Risk Factors Regarding Bankruptcy Cases

1. Allowance of Claims

This Disclosure Statement has been prepared based on preliminary information and review of filed Claims and the Debtor's books and records. Upon completion of more detailed analysis of filed Claims, the actual amount of Allowed Claims may differ from the Debtor's current estimates.

As discussed above, as of July 1, 2010, 3,257 Claims had been filed against the Debtors asserting liquidated amounts of approximately $9.1 billion in the aggregate. The Debtors believe that they have valid objections to many of the filed Claims and, thus, that the ultimate allowed amount of such Claims will be significantly less than the asserted amounts. Nevertheless, the amount of Disputed Claims in these cases is expected to be material. As a result, the ultimate amount of Allowed Claims in these cases could significantly exceed the Debtors' estimates in the development of the Plan as set forth in the Plan Summary Table.

2. Objections to Classification of Claims Pursuant to § 1122 of the Bankruptcy Code

In evaluating whether the Plan meets the requirements for confirmation under § 1129 of the Bankruptcy Code, this Disclosure Statement assumes the validity of the Plan's classifications of claims and interests. If the Holder of a Claim or Interest were to object to the proposed classification of such Claim or Interest in the Plan pursuant to § 1122 of the Bankruptcy Code, and prevail in such objection, then the requirements for confirmation of the Plan may be different from what is set forth in this Disclosure Statement. This difference may or may not have a material effect on the confirmability of the Plan.

3. Valuation Risk

The Plan Trustee is required under the Plan Trust Agreement to file with the Bankruptcy Court an initial valuation of all Trust Assets which assumes, among other things, values as of the Effective Date for the aggregate Assets contributed by the Debtor's Estate to the Plan Trust. In addition to the potential for error inherent in any valuation of illiquid Assets, recent developments in the United States economy as a whole, and in the banking industry in particular, make it particularly difficult to predict the values of those Assets of the Debtors that have not been sold or are unliquidated (such as Claims and Causes of Action) as of the date of this Disclosure Statement.

To the extent the value actually realized by the Plan Trustee from Assets contributed by a particular Estate is more than the value of such Assets estimated by the Plan Trustee, the Creditors of that Estate may materially affect Distributions to and tax treatment affecting such Creditors. See Section VIII of this Disclosure Statement for tax disclosure generally.

4. Risk of Non-Confirmation of the Plan

Even if all Impaired Classes accept or could be deemed to have accepted the Plan, the Plan may not be confirmed by the Bankruptcy Court. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and requires, among other things: (a) that the Confirmation of the Plan not be followed by a need for further liquidation or reorganization; (b) that the value of distributions to dissenting Holders not be less than the value of distributions to such Holders if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code; and (c) that the Plan and the Debtors otherwise comply with the applicable provisions of the Bankruptcy Code. Although the Debtors believe that the Plan will meet all applicable tests, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

5. Nonconsensual Confirmation

Pursuant to the "cramdown" provisions of § 1129 of the Bankruptcy Code, the Bankruptcy Court can confirm the Plan as to a given Debtor if at least one Impaired Class of Claims against the debtor has accepted the Plan (with such acceptance being determined without including the acceptance of any "insider" in such Class) and, as to each Impaired Class of Claims against or Interests in the debtor that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to such Impaired Class.

The Debtors reserve the right to modify the terms of the Plan as necessary for Confirmation without the acceptance of all Impaired Classes. Such modification could result in less favorable treatment for any non-accepting Classes than the treatment currently provided by the Plan.

6. Delays of Confirmation and/or Effective Date

Any delay in Confirmation and effectiveness of the Plan could result in, among other things, increased Administrative Expense Claims. These or any other negative effects of delays in Confirmation or effectiveness of the Plan could endanger the ultimate approval of the Plan by the Bankruptcy Court. Moreover, unless the Plan is confirmed by January 31, 2011, the FDIC Settlement Agreement becomes null and void unless the deadline is extended by the parties thereto.

7. Plan Trust Operations

The ultimate amount of Cash available to satisfy the allowed amount of all General Unsecured Claims and General Unsecured Claims (Trade Creditors) against TBW (TBW Classes 8 and 9), and General Unsecured Claims against HAM and REO Specialists (HAM Class 3 and REO Class 3), depends, in part, on the manner in which the Plan Trustee operates the Plan Trust and the expenses the Plan Trustee (and Plan Advisory Committee) incurs. By virtue of the Plan Trustee's ability, with approval of the Plan Advisory Committee), to supplement the funding of the Plan Trust Operating Expense Reserve from Plan Trust Assets after the Effective Date, the expenses of the Plan Trustee (and Plan Advisory Committee) will have de facto priority over distributions to Holders of Claims in TBW Classes 8 and 9, HAM Class 3, and REO Class 3. As

a result, if the Plan Trustee and Plan Advisory Committee incur professional or other expenses in excess of current expectations, the amount of Cash remaining to satisfy Allowed Claims in TBW Classes 8 and 9, HAM Class 3, and REO Class 3 will be less than anticipated.

The ultimate amount-of Cash available for Distribution to Holders of Allowed Claims in TBW Classes 8 and 9, HAM Class 3, and REO Class 3 will also be affected by the performance and relative success of the Plan Trustee in liquidating Plan Trust Assets, including the prosecution of Causes of Action against potential defendants. The less successful the Plan Trustee is in pursuing such matters, the less Cash there will be available for Distribution to satisfy Allowed Claims. For the avoidance of doubt, the Debtor has not assumed any recovery on account of such potential Causes of Action for purposes of (i) estimating recoveries on Allowed Claims under the Liquidation Analysis or (ii) determining whether the Plan meets the Feasibility Test

8. Causes of Action

In accordance with § 1123(b) of the Bankruptcy Code, even after confirmation of the Plan, the Plan Trustee will retain and may enforce any Claims, demands, rights and Causes of Action that the Estates may have against any Person, including claims for preference, fraudulent conveyance and setoff. In pursuing any such claims, the Plan Trustee will act in the best interest of the Estates. Accordingly, a Holder of a Claim may be subject to one or more such claims brought by the Plan Trustee, even if such Holder voted in favor of the Plan.

B. Risk Factors Relating to Securities Laws

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan from registration under the Securities Act and state securities laws if three principal requirements are satisfied: (i) the securities must be offered and sold under a plan and must be securities of the debtor, an affiliate participating in a joint plan with the debtor or a successor to the debtor under the Plan; (ii) the recipients of the securities must hold a prepetition or administrative expense claim against the debtor or an interest in the debtor; and (iii) the securities must be issued entirely in exchange for the recipient's claim against or interest in the debtor, or principally in such exchange and partly for cash or property. To the extent that the rights to distributions from the Plan Trust are deemed to constitute securities issued in accordance with the Plan, the Debtors believe that such interests satisfy the requirements of § 1145(a)(1) of the Bankruptcy Code and, therefore, such interests are exempt from registration under the Securities Act and applicable state securities laws.

1. Non-Transferability

Holders of General Unsecured Claims and General Unsecured Claims (Trade Creditors) against TBW (TBW Classes 8 and 9), and Holders of General Unsecured Claims against HAM and REO Specialists (HAM Class 3 and REO Class 3) also should be aware that their rights to any Distribution from the Plan Trust are not transferable. Similarly, to the extent there is any Distribution on Subordinated Claims, the rights to such Distribution from the Plan Trust are not transferable. Therefore, there will not be any trading market for such rights, nor will those the

rights be listed on any public exchange or other market. The lack of liquidity of the rights to distributions from the Plan Trust may have a negative impact on their value.

2. Uncertainty of Value

In addition to the prohibition on the transfer of rights to distributions from the Plan Trust as discussed above, the value of such rights will depend on the various risks and uncertainties outlined above. The realizable value of Plan Trust Assets will vary depending upon the extent to which these risks materialize. In addition, the resolution of Causes of Action held by the Plan Trust and the reconciliation of Claims against the Debtors' Estates may require a substantial amount of time, during which time interest will not accrue on Allowed Claims in TBW Classes 8 and 9, HAM Class 3, and REO Class 3. These delays could reduce the ultimate value of any recovery.

VIII. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

U.S. Treasury Circular 230 Disclosure: To ensure compliance with U.S. Treasury Circular 230, each Holder of a Claim or an Interest is hereby notified that (a) any discussion of U.S. federal tax issues in this Disclosure Statement is not intended or written to be relied upon, and cannot be relied upon, by any Holder of a Claim or an Interest for the purpose of avoiding penalties that may be imposed on a Holder of a Claim or an Interest under Title 26 of the United States Code (referred to as the IRC); (b) such discussion is written in connection with the solicitation of votes accepting the Plan; and (c) a Holder of a Claim or an Interest should seek advice based upon its particular circumstances from an independent tax advisor.

A. General

A description of certain U.S. federal income tax consequences of the Plan is provided below. The description is based on the IRC, the Treasury Regulations, judicial decisions and administrative determinations, all as in effect on the date of this Disclosure Statement. Changes in any of these authorities or in their interpretation may have retroactive effect, which may cause the U.S. federal income tax consequences of the Plan to differ materially from the consequences described below. No ruling has been requested from the Internal Revenue Service (referred to as the IRS) and no legal opinion has been requested from counsel concerning any tax consequence of the Plan, and no tax opinion is given by this Disclosure Statement.

This description does not cover all aspects of U.S. federal income taxation that may be relevant to the Debtors or Holders of Claims. For example, the description does not address issues of special concern to certain types of taxpayers, such as dealers in securities, life insurance companies, financial institutions, tax exempt organizations, Governmental Authorities and foreign taxpayers, nor does it address tax consequences to Holders of Interests in the Debtors. This description does not discuss the possible state tax, non-U.S. tax or non-income tax consequences that might apply to the Debtors or to Holders of Claims.

For these reasons, the description that follows is not a substitute for careful tax planning and professional tax advice based upon the individual circumstances of each Holder of a Claim. Holders of Claims are urged to consult with their own tax advisors regarding the federal, state, local and foreign tax consequences of the Plan.

B. **Tax Consequences of Payment of Allowed Claims Pursuant to Plan Generally**

The federal income tax consequences of the implementation of the Plan to the Holders of Allowed Claims will depend on, among other things, the consideration to be received by the Holder, whether the Holder reports income on the accrual or cash method, whether the Holder receives Distributions under the Plan in more than one taxable year, whether the Holder's Claim is Allowed or Disputed on the Effective Date and whether the Holder has taken a bad debt deduction or a worthless security deduction with respect to its Claim.

1. Recognition of Gain or Loss

a. In General

In general, a Holder of an Allowed Claim should recognize gain or loss equal to the amount realized under the Plan in respect of its Claim less the Holder's tax basis in the Claim. Any gain or loss recognized in the exchange may be long-term or short-term capital gain or loss or ordinary income or loss, depending upon the nature of the Allowed Claim and the Holder, the length of time the Holder held the Claim and whether the Claim was acquired at a market discount. If the Holder realizes a capital loss, the Holder's deduction of the loss may be subject to limitation. The Holder's tax basis for any property received under the Plan generally will equal the amount realized. The Holder's amount realized generally will equal the sum of the Cash and the fair market value of any other property received by the Holder under the Plan on the Effective Date or a subsequent distribution date, less the amount (if any) treated as interest, as discussed below.

b. Post-Effective Date Cash Distributions

Because certain Holders of Allowed Claims, including Disputed Claims that ultimately become Allowed Claims, may receive Distributions after the Effective Date, the imputed interest provisions of the IRC may apply and cause a portion of the subsequent Distributions to be treated as interest. Additionally, because Holders may receive Distributions with respect to an Allowed Claim in a taxable year or years following the year of the initial Distribution, any loss and a portion of any gain realized by the Holder may be deferred. All Holders of Allowed Claims are urged to consult their tax advisors regarding the possible application of (or ability to elect out of) the "installment method" of reporting with respect to their Claims.

c. Receipt of Interest

Holders of Allowed Claims will recognize ordinary income to the extent that they receive Cash or property, including beneficial interests in the Plan Trust, that is allocable to accrued but unpaid interest that the Holder has not yet included in its income. If an Allowed Claim includes

interest, and if the Holder receives less than the amount of the Allowed Claim pursuant to the Plan, the Holder must allocate the Plan consideration between principal and interest. The Plan provides that, to the extent applicable, all Distributions to a Holder of an Allowed Claim will apply first to the principal amount of such Claim until such principal amount is paid in full and then to any interest accrued on such Claim prior to the Petition Date, and the remaining portion of such Distributions, if any, will apply to any interest accrued on such Claim after the Petition Date. There is no assurance, however, that the IRS will respect this treatment and will not determine that all or a portion of amounts distributed to such Holder and attributable to principal under the Plan is properly allocable to interest. Holders of Allowed Claims are strongly urged to consult their own tax advisors in this regard. If the Plan consideration allocable to interest with respect to an Allowed Claim is less than the amount that the Holder has previously included as interest income, the previously included but unpaid interest may be deducted, generally as a loss.

d. Bad Debt and/or Worthless Securities Deduction

A Holder who, under the Plan, receives in respect of a Claim an amount less than the Holder's tax basis in the claim may be entitled in the year of receipt (or in an earlier or later year) to a bad debt deduction in some amount under § 166(a) of the Internal Revenue Code or a worthless securities deduction under § 165(g) of the Internal Revenue Code. The rules governing the character, timing and amount of bad debt or worthless securities deductions place considerable emphasis on the facts and circumstances of the Holder, the obligor and the instrument with respect to which a deduction is claimed. Holders of Claims, therefore, are urged to consult their tax advisors with respect to their ability to take such a deduction.

C. Treatment of the Plan Trust and its Beneficial Owners

The Plan Trust is intended to be treated for U.S. federal income tax purposes (1) in part as a liquidating trust within the meaning of section 301.7701-4(d) of the Treasury Regulations and (2) in part as one or more Disputed Claims or other reserves taxed either as discrete trusts pursuant to section 641, *et seq.*, of the IRC or as disputed ownership funds pursuant to section 1.468B-9(b)(1) of the Treasury Regulations, as determined by the Plan Trustee in the manner specified in the Plan Trust Agreement. The remainder of this tax discussion assumes that this treatment is correct. If the IRS succeeds in requiring a different characterization of the Plan Trust, the Plan Trust could be subject to tax on all of its net income and gains, with the result that the amounts received by holders of Allowed Claims could be reduced.

1. Plan Trust

Except as discussed in subsection 2 below (titled Disputed Claims and Other Reserves), the Plan Trust will not be treated as a separate entity for U.S. federal income tax purposes. Instead, the Holders of "beneficial interests" in the Plan Trust will be treated as owning their respective pro rata shares of the applicable Plan Trust Assets, subject to any liabilities of the Debtors assumed by the Plan Trust and any liabilities of the Plan Trust itself. Holders of "beneficial interests" in the Plan Trust will include all Holders of Allowed Claims that are entitled to receive Distribution from the Plan Trust pursuant to the Plan.

For U.S. federal income tax purposes, the transfer of the Plan Trust Assets (to the extent not distributed to holders of Allowed Claims as of the Effective Date) to the Plan Trust will be treated as a transfer of the Plan Trust Assets from the Debtors to the Holders of Allowed Claims, subject to any liabilities of the Debtors or the Plan Trust payable from the proceeds of such assets, followed by such Holders' transfer of such assets (subject to such liabilities) to the Plan Trust in exchange for their respective beneficial interests in the Plan Trust. Thus, each Holder of an Allowed Claim on the Effective Date should be treated as transferring its Claim to the Debtors in exchange for the Holder's *pro rata* share of the applicable Plan Trust Assets (subject to any liabilities of the Plan Trust) followed by the Holder's transfer of such assets (subject to applicable liabilities) to the Plan Trust. The "applicable Plan Trust Assets" are the Plan Trust Assets (or the proceeds thereof) from which a Holder of an Allowed Claim is entitled to a Distribution under the Plan. The Holder should recognize gain or loss equal to the difference between the fair market value of the applicable Plan Trust Assets (subject to any applicable liabilities) and the Holder's adjusted basis in its Allowed Claim. The tax basis of the applicable Plan Trust Assets deemed received in the exchange will equal the amount realized by the Holder and the holding period for such assets will begin on the day following the exchange. For the avoidance of doubt, if the Plan Trustee elects to treat any Disputed Claims reserve as a disputed ownership fund for U.S. federal income tax purposes, as described below, then the Holders of Allowed Claims are not intended to be treated for federal income tax purposes as receiving Plan Trust Assets that are contributed to any Disputed Claims reserve until such time as such Disputed Claims reserve makes distributions, in which case (and at which time) the Holders of Allowed Claims are intended to be treated as receiving the distributions actually received from the Disputed Claims reserve, if any.

Each Holder of an Allowed Claim will be required to include its annual taxable income, and pay Tax to the extent due on, its allocable share of each item of income, gain, loss, deduction or credit recognized by the Plan Trust (including interest or dividend income earned on bank accounts and other investments) and the Plan Trustee will allocate such items to the Holders using a reasonable allocation method. If the Plan Trust sells or otherwise disposes of a Plan Trust Asset in a transaction in which gain or loss is recognized, each Holder of an Allowed Claim that is entitled to a Distribution from such Plan Trust Asset (or the proceeds thereof) will be required to include in income gain or loss equal to the difference between (a) the Holder's *pro rata* share of the Cash or property received in exchange for the applicable Plan Trust Asset sold or otherwise disposed of and (b) the Holder's adjusted basis in the Holder's *pro rata* share of the applicable Plan Trust Asset. The character and amount of any gain or loss will be determined by reference to the character of the asset sold or otherwise disposed of. Each Holder of an Allowed Claim will be required to report any income or gain recognized on the sale or other disposition of an applicable Plan Trust Asset whether or not the Plan Trust distributes the sale proceeds currently and may, as a result, incur a tax liability before the holder receives a Distribution from the Plan Trust.

Notwithstanding the foregoing, Distributions made as of the Effective Date to Holders of Allowed Claims are intended to be treated for U.S. federal income tax purposes as directly from the Debtors to the Holders of such Allowed Claims, and such Holders shall include in their taxable incomes any interest earned on such Distributions from the Effective Date to the date on which the actual Distribution is made.

2. Disputed Claims and Other Reserves

Any reserves for Disputed Claims or the other similar reserves that may be established by the Plan Trustee may be treated as one or more reserves taxed either as discrete trusts pursuant to section 641, *et seq.*, of the IRC or as disputed ownership funds pursuant to section 1.468B-9(b)(1) of the Treasury Regulations, as determined by the Plan Trustee in the manner specified in the Plan Trust Agreement. If treated as discrete trusts, income and gain recognized with respect to the Plan Trust Assets in any Disputed Claims reserve will be subject to an entity-level tax to the extent the income or gain is not distributed to Holders of Allowed Claims within the same taxable year. If treated as disputed ownership funds, income and gain recognized with respect to any Plan Trust Assets in any Disputed Claims reserve will be subject to an entity-level tax regardless of whether income or gain is distributed to Holders of Allowed Claims within the same taxable year.

D. Information Reporting and Withholding

Under the IRC's backup withholding rules, the Holder of an Allowed Claim may be subject to backup withholding with respect to distributions or payments made pursuant to the Plan unless the Holder comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact, or provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax, but merely an advance payment that may be refunded to the extent it results in an overpayment of tax. Holders of Allowed Claims may be required to establish exemption from backup withholding or to make arrangements with respect to the payment of backup withholding.

E. Importance of Obtaining Professional Tax Assistance

The foregoing discussion is intended only as a summary of certain U.S. federal income tax consequences of the Plan, and is not a substitute for careful tax planning with a tax professional. The above discussion is for information purposes only and is not tax advice. The tax consequences are in many cases uncertain and may vary depending on a Holder's individual circumstances. Accordingly, Holders are urged to consult with their tax advisors about the U.S. federal, state, local and foreign income and other tax consequences of the Plan.

IX. ALTERNATIVES TO CONFIRMATION OF THE PLAN

The Debtors believe that the Plan provides a recovery to creditors that is greater than or equal to the probable recoveries by creditors if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. If the Plan is not confirmed because the requisite Classes did not vote to accept the Plan, then the Debtors will likely file a motion to convert these Chapter 11 Cases to cases under Chapter 7, in which event the Debtors believe that Creditor recoveries will be substantially diminished.

X. ACCEPTANCE AND CONFIRMATION OF THE PLAN; VOTING REQUIREMENTS

The Bankruptcy Code requires that, in order to confirm the Plan, the Bankruptcy Court must make a series of findings concerning the Plan and the Debtors, including that (i) the Plan has classified Claims in a permissible mariner; (ii) the Plan complies with applicable provisions of the Bankruptcy Code; (iii) the Debtor has complied with applicable provisions of the Bankruptcy Code; (iv) the Debtor has proposed the Plan in good faith and not by any means forbidden by law; (v) the disclosure required by § 1125 of the Bankruptcy Code has been made; (vi) the Plan has been accepted by the requisite votes of Creditors or Interest Holders in each class (except to the extent that cramdown is available under § 1129(b) of the Bankruptcy Code); (vii) the Plan is feasible and confirmation is not likely to be followed by further financial restructuring of the Debtors; (viii) the Plan is in the "best interests" of all Holders of Claims or Interests in an Impaired class (see "Best Interests Test" below); and (ix) all fees and expenses payable under 28 U.S.C. § 1930, as determined by the Bankruptcy Court at the hearing on confirmation, have been paid or the Plan provides for the payment of such fees on the Effective Date. The Debtors believe that the Plan satisfies all the requirements for confirmation.

A. Best Interests Test

Each Holder of a Claim or Interest in an Impaired class must either (i) accept the Plan or (ii) receive or retain under the Plan Cash or property of a value, as of the Effective Date of the Plan, that is not less than the value such Holder would receive or retain if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code. The Bankruptcy Court will determine whether the Cash and property issued under the Plan to each Class equals or exceeds the value that would be allocated to the Holders in a liquidation under Chapter 7 of the Bankruptcy Code (the "Best Interests Test"). The Debtors believe that the Holders of Claims against and Interests in the Debtors will have an equal or greater recovery as a result of the liquidation of the Debtor's Assets by the Plan Trust as discussed herein and than could be realized in a Chapter 7 liquidation.

The Debtors are liquidating and therefore are not seeking to require Creditors to accept non-Cash consideration so that the Estates could pursue going concern value. Accordingly, the only question is whether the Creditors will have recovered more (or at least as much) under the Plan than they would recover through an asset liquidation by a Chapter 7 trustee.

To determine the value that a Holder of a Claim or Interest in an Impaired Class would receive if the Debtors were liquidated under Chapter 7, the Bankruptcy Court must determine the aggregate dollar amount that would be generated from the liquidation of the Debtor's Assets if the Debtor's Chapter 11 Cases had been converted to a Chapter 7 liquidation case and the Debtor's Assets were liquidated by a Chapter 7 trustee (the "Liquidation Value"). The Liquidation Value would consist of the Net Proceeds from distribution of the Debtor's Assets, augmented by Cash held by the Debtors and reduced by certain increased costs and Claims that arise in a Chapter 7 liquidation case that do not arise in a Chapter 11 case.

As explained below, the Liquidation Value available for satisfaction of Claims and Interests in the Debtors would be reduced by: (a) the costs, fees and expenses of the liquidation under Chapter 7, which would include disposition expenses and the compensation of one or more trustees and their counsel and other retained professionals, (b) the fees of the Chapter 7 trustee(s) and (c) certain other costs arising from conversion of these Chapter 11 Cases to Chapter 7. A hypothetical Liquidation Analysis prepared by the Debtors is attached to this Disclosure Statement as Exhibit C.

As is evident from the Liquidation Analysis, the Debtors believe that Creditors have and will continue to clearly benefit from the liquidation under Chapter 11 of the Bankruptcy Code. Had the Assets been liquidated by a Chapter 7 trustee, the Debtors project that the maximum recovery would have been substantially less. The Debtors have realized a greater return than a Chapter 7 trustee would have obtained on the sale of their Assets, specifically due to the Debtors' familiarity with its Assets and the Debtors' ability to negotiate the highest and best price for the sales of its Assets. Further, recoveries have been increased due to the global settlement the Debtors reached with the FDIC. The Debtors have already entered into settlements and engaged in Assets sales through auction or private sales approved by the Bankruptcy Court to reduce their Assets to Cash. Therefore, the Debtors have already established systems and protocols for the efficient disposition of the Assets of the Estates and are in the process of liquidating their limited remaining Assets.

In addition, converting these Chapter 11 Cases to a Chapter 7 liquidation at this stage of the wind-down would result in an immense waste of the Debtors' resources that were already expended in connection with the sale of the Debtors' Assets and would delay converting the remaining Assets to Cash. It would also result in substantial additional claims against the Estates.

It is also anticipated that a Chapter 7 liquidation -would result in a significant delay in payments being made to Creditors. Bankruptcy Rule 3002(c) provides that conversion of Chapter 11 cases to Chapter 7 will trigger a new bar date for filing claims against the Estates, and that the new bar date will be more than 90 days after these Chapter 11 Cases convert. Not only would a Chapter 7 liquidation delay distribution to Creditors, but it is possible that additional Claims that were not asserted in these Chapter 11 Cases, or were late-filed, could be filed against the Estates. The Debtor has received and are analyzing late-filed Claims and may file additional claims objections in the near future. Reopening the Bar Dates in connection with conversion to Chapter 7 would provide these and other claimants an additional opportunity to timely file Claims against the Estates.

For the reasons set forth above, the Debtors believe that the Plan provides a superior recovery for the Holders of Claims, and the Plan meets the requirements of the Best Interests Test.

B. **Financial Feasibility Test**

In order to confirm a plan, the Bankruptcy Code requires the Bankruptcy Court to find that confirmation of the Plan is not likely to be followed by liquidation or the need for further

financial reorganization of the Debtors (the "Feasibility Test"). Thus, for a plan to meet the Feasibility Test, the Bankruptcy Court must find that there is a reasonable likelihood that the Debtors will possess the working capital and other resources necessary to meet its obligations under the Plan. Because a form of liquidation is proposed in the Plan and no further financial reorganization of the Debtors will be possible, the Debtors believe that the Plan meets the feasibility requirement.

C. Acceptance by Impaired Classes

Section 1129(a) of the Bankruptcy Code requires that each class of claims or interests that is impaired under a plan accept the Plan (subject to the "cramdown" exception contained in § 1129(b) of the Bankruptcy Code. Under § 1129(b) of the Bankruptcy Code, if at least one but not all impaired classes do not accept the Plan, the Bankruptcy Court may nonetheless confirm the Plan if the non-accepting classes are treated in the mariner required by the Bankruptcy Code. The process by which non-accepting classes are forced to be bound by the terms of the Plan is commonly referred to as "cramdown." The Bankruptcy Code allows the Plan to be "crammed down" on non-accepting classes of claims or interests if (i) the Plan meets all confirmation requirements except the requirement of § 1129(a)(8) of the Bankruptcy Code that the Plan be accepted by each class of claims or interests that is impaired and (ii) the Plan does not "discriminate unfairly" and is "fair and equitable" toward each impaired class that has not voted to accept the Plan, as referred to in § 1129(b) of the Bankruptcy Code and applicable case law.

A class of claims under a plan "accepts" the Plan if the Plan is accepted by creditors that hold at least two-thirds in amount and more than one-half in number of the allowed claims in the class that actually vote on the Plan. A class of interests accepts the Plan if the Plan is accepted by Holders of Interests that hold at least two-thirds in amount of the allowed interests in the class that actually vote on a plan.

A class that is not "impaired" under a plan is conclusively presumed to have accepted the Plan. Solicitation of acceptances from such a class is not required. A class is "impaired" unless (i) the legal, equitable and contractual rights to which a claim or interest in the class entitles the Holder are not modified or (ii) the effect of any default is cured and the original terms of the obligation are reinstated. Under the Plan, TBW Class 1, HAM Class 1, and REO Class 1 are not Impaired and are deemed to accept the Plan. TBW Classes 10 and 11, HAM Classes 4 and 5, and REO Classes 4 and 5 are not entitled to receive or retain any property under the Plan on account of Claims or Interests and are conclusively presumed to have rejected the Plan. All other Classes of Claims under the Plan are Impaired under the Plan and Holders of Allowed Claims in such Classes are entitled to vote to accept or reject the Plan.

The Plan provides fair and equitable treatment of impaired Claims, as either (a) each impaired unsecured creditor receives or retains under the Plan property of a value equal to the amount of its allowed Claim or (b) the Holders of Claims and Interests that are junior to such Class of impaired claims will not receive or retain any property under the Plan, subject to the applicability of the judicial "new value" doctrine. Pursuant to the Plan, no Holders of any Claim or Interest junior to the Holders of such impaired Classes will receive or retain any property on account of such junior Claims.

As noted above, Holders of Claims and Interests in Claims and Interests in Classes TBW Classes 10 and 11, HAM Classes 4 and 5, and REO Classes 4 and 5 are receiving no property under the Plan and are therefore deemed to reject the Plan. However, the Plan provides fair and equitable treatment to these Holders because there are no Classes junior to these Classes and no Class senior to these Classes is being paid more than in full on its Allowed Claims.

If any Impaired Class fails to accept the Plan, the Debtors intend to request that he Bankruptcy Code confirm the Plan pursuant to § 1129(b) of the Bankruptcy Code with respect to those Classes.

D. Voting Procedures

1. Ballots

If voting for or against the Plan, please use only the Ballot or Ballots sent to you with this Disclosure Statement. Votes cast to accept or reject the Plan will be counted by Class. Please read the voting instructions on the reverse side of the Ballot for a thorough explanation of voting procedures.

If you believe that you are a holder of a claim in a voting class for which you do not receive a Ballot, if your Ballot is damaged or lost, or if you have questions concerning voting procedures, please contact the BMC Group by telephone at (888) 909-0100 between the hours of 9:00 am. and 6:00 p.m. (eastern time), Monday through Friday or via email at info@bmcgroup.com. However, the BMC Group cannot provide you with legal advice.

If you are entitled to vote to accept or reject the Plan, a Ballot is enclosed for the purpose of voting on the Plan. If you hold Claims or Interests in more than one Class and you are entitled to vote Claims or Interests in more than one Class, you will receive separate Ballots that must be used to vote in each separate Class.

Unless otherwise directed in your solicitation package, mail your completed Ballot(s) to:

If by regular mail:

TBW Mortgage Ballot Processing
c/o BMC Group Inc.
PO BOX 3020
Chanhassen, MN 55317-3020

Messenger or overnight delivery:

TBW Mortgage Ballot Processing
c/o BMC Group Inc.
18750 Lake Drive East
Chanhassen, MN 55317

Do not return Ballots to the bankruptcy court. A Ballot that does not indicate an acceptance or rejection of the Plan will not be counted either as a vote to accept or a vote to reject the Plan. If you cast more than one Ballot voting the same Claim before 4:00 p.m. (Eastern Time) on the voting deadline, the last Ballot received before the voting deadline will be deemed to reflect your intent and thus will supersede any prior Ballots. Additionally, you may not split your votes for your Claims within a particular Class under the Plan either to accept or reject the Plan. Therefore, a Ballot or a group of Ballots within a Plan Class received from a single creditor that partially rejects and partially accepts the Plan will not be counted.

Unless the Bankruptcy Court permits you to do so after notice and hearing to determine whether sufficient cause exists to permit the change, you may not change your vote after the voting deadline passes. **Do not return any stock certificates, debt instruments or other securities with your Ballot. Facsimile, email or electronically transmitted Ballots will not be accepted.**

Please put your taxpayer identification number on your Ballot; the disbursing agent may not be able to make distributions to you without it.

2. Deadline for Voting

The deadline for casting Ballots either accepting or rejecting the Plan is provided in the Plan Notice.

3. Importance of Your Vote

Your vote is important. The Bankruptcy Code defines acceptance by a Class of Claims as acceptance by Holders of at least two-thirds in amount and a majority in number of Allowed Claims in that Class that vote. **Only those Creditors who actually vote are counted for purposes of determining whether a Class has voted to accept the Plan. Your failure to vote will leave to others the decision to accept or reject the Plan.**

XI. RECOMMENDATION AND CONCLUSION

The Debtors believe that confirmation and consummation of the Plan is in the best interests of Creditors and that the Plan should be confirmed. The Debtors strongly recommend that all Creditors receiving a Ballot vote in favor of the Plan.

Dated: _____, 2010,

Respectfully submitted,

TAYLOR BEAN AND WHITAKER MORTGAGE CORP.
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REO SPECIALISTS, LLC

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EXHIBIT A

The Plan
and Definitions Annex attached thereto

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:	**Chapter 11**
TAYLOR, BEAN & WHITAKER MORTGAGE CORP., REO SPECIALISTS, LLC, and HOME AMERICA MORTGAGE, INC.,	**Case No. 3:09-bk-07047-JAF** **Case No. 3:09-bk-10022-JAF** **Case No. 3:09-bk-10023-JAF**
Debtors.	**Jointly Administered Under** **Case No. 3:09-bk-07047-JAF**

JOINT PLAN OF LIQUIDATION OF THE DEBTORS AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS

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INTRODUCTION

Taylor, Bean & Whitaker Mortgage Corp., Home America Mortgage, Inc., and REO Specialists, LLC, the debtors and debtors in possession in the above-captioned chapter 11 cases, together with the Official Committee of Unsecured Creditors appointed in the chapter 11 case of TBW (collectively, the "**Plan Proponents**"), propose this Plan of Liquidation pursuant to the provisions of the Bankruptcy Code. The Debtors and the Creditors' Committee (as defined herein) have engaged in extensive collaborative efforts on all material aspects of this Plan, and the Creditors' Committee has approved this Plan.

ARTICLE 1.

DEFINITIONS

A. DEFINED TERMS

Capitalized terms used in this Plan shall have the meaning given to such terms in the Definitions Annex attached hereto.

B. INTERPRETATION

For purposes of this Plan: (a) any reference in the Plan to a contract, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions; (b) any reference in the Plan to an existing document or exhibit Filed or to be Filed means such document or exhibit, as it may have been or may be amended, modified or supplemented; (c) unless otherwise specified, all references in the Plan to Articles, Sections, Schedules and Exhibits are references to Articles, Sections, Schedules and Exhibits of or to the Plan; (d) the words "herein," "hereof" and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (e) captions and headings to Articles and Sections are inserted for ease of reference only and are not intended to be a part of or to affect the interpretation of the Plan; (f) unless otherwise specified, the term "including" is intended to be illustrative and not exhaustive, and shall be construed as "including, but not limited to" whenever possible; and (g) the rules of construction set forth in § 102 of the Bankruptcy Code and in the Bankruptcy Rules shall apply.

C. TIME PERIODS

In computing any period of time prescribed or allowed by this Plan, unless otherwise expressly provided, the provisions of Bankruptcy Rule 9006(a) shall apply. If any act under this Plan is required to be made or performed on a date that is not a Business Day, then the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

D. EXHIBITS AND APPENDICES

All exhibits and appendices to this Plan (including, without limitation, the Plan Supplement) are hereby incorporated by reference and made part of this Plan as if set forth fully herein.

ARTICLE 2.

CLASSIFICATION OF CLAIMS AND INTERESTS

A. SUMMARY

The chart below lists the classification of Claims (except for Administrative Expense Claims and Priority Tax Claims) and Interests for all purposes, including voting, confirmation and Distribution pursuant to this Plan.

CLASS	DESCRIPTION	STATUS
Unclassified Claims Against All Debtors		
n/a	Administrative Expense Claims and Priority Tax Claims (§ 507(a)(8)) against all Debtors	Unimpaired - not entitled to vote
Claims Against TBW		
TBW Class 1	Priority Non-Tax Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired - not entitled to vote
TBW Class 2	FDIC Secured Claim (AOT Facility)	Impaired - entitled to vote
TBW Class 3	FDIC Secured Claim (Overline Facility)	Impaired - entitled to vote
TBW Class 4	Sovereign Secured Claim (Sovereign Facility)	Impaired - entitled to vote
TBW Class 5	Natixis Secured Claim (Natixis Facility)	Impaired - entitled to vote
TBW Class 6	Plainfield Secured Claim (Plainfield Term Loan)	Impaired - entitled to vote
TBW Class 7	Other Secured Claims	Impaired – entitled to vote

TBW Class 8	General Unsecured Claims	Impaired - entitled to vote
TBW Class 9	General Unsecured Claims (Trade Creditors)	Impaired - entitled to vote
TBW Class 10	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4) and Claims, if any, subordinated by an Order of the Bankruptcy Court pursuant to § 510(c))	Impaired- not entitled to vote
TBW Class 11	Interests	Impaired - not entitled to vote

Claims Against Home America Mortgage		
HAM Class 1	Priority Non-Tax Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired – not entitled to vote
HAM Class 2	Other Secured Claims	Impaired – entitled to vote
HAM Class 3	General Unsecured Claims	Impaired – entitled to vote
HAM Class 4	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4) and Claims, if any, subordinated by an Order of the Bankruptcy Court pursuant to § 510(c))	Impaired –not entitled to vote
HAM Class 5	Interests	Impaired – not entitled to vote

Claims Against REO Specialists		
REO Class 1	Priority Non-Tax Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))	Unimpaired - not entitled to vote
REO Class 2	Other Secured Claims.	Impaired - entitled to vote
REO Class 3	General Unsecured Claims	Impaired - entitled to vote

REO Class 4	Subordinated Claims (including Claims for fines, penalties, forfeitures and punitive damages, as described in § 726(a)(4) and Claims, if any, subordinated by an Order of the Bankruptcy Court pursuant to § 510(c))	Impaired – not entitled to vote
REO Class 5	Interests	Impaired – not entitled to vote

B. CLASSIFICATION

The Claims against and Interests in the Debtors shall be classified as specified above (other than Administrative Expense Claims, including DIP Facility Claims, and Priority Tax Claims, which shall be treated in accordance with Article 3 below). Consistent with § 1122 of the Bankruptcy Code, a Claim or Interest is classified by the Plan in a particular Class only to the extent that the Claim or Interest is within the description of the Class, and a Claim or Interest is classified in a different Class to the extent it is within the description of that different Class.

1. **Impaired and Unimpaired Classes**. As set forth above, Classes TBW 1, HAM 1, and REO 1 are Unimpaired by the Plan and Holders of Claims in these Classes are conclusively presumed to have accepted the Plan. TBW Classes 2 through 9, HAM Classes 2 and 3, and REO Classes 2 and 3 are (or may be) Impaired by the Plan, and Holders of Claims or Interests in these Classes shall be entitled to vote to accept or reject the Plan. TBW Classes 10 and 11, HAM Classes 4 and 5, and REO Classes 4 and 5 are Impaired by the Plan, but because Holders of Claims and Interests in these Classes are not expected to retain or receive any property under the Plan on account of such Claims and Interests, these Classes are deemed to have rejected the Plan. No Class, member of any Class, or Holder of any Claim against any Debtor shall be entitled to or receive Cash or other property allocated for Distribution to any other Class or to a Holder of any other Claim, except as expressly specified in the Plan, the FDIC Settlement Agreement, or the Confirmation Order.

2. **Plan Treatment is in Full Satisfaction of Claims and Interests**. The treatment in this Plan is in full and complete satisfaction of the legal, contractual, and equitable rights that each Person holding an Allowed Claim or an Allowed Interest may have in or against the Plan Trust or the Assets contributed to the Plan Trust by the applicable Debtor, including all Liens held by such Person. This treatment supersedes and replaces any agreements or rights those Persons have in or against the applicable Debtor or its property, including all Lien rights of such Persons. No Holder of a Claim shall receive more than 100% of its Allowed Claim. To the extent that asset recoveries exceed expectations in an amount that would permit a Distribution to a Class of Claims or Interests that is not expected to retain anything under the Plan, the Plan Trustee shall give effect to the priority scheme under the Bankruptcy Code and file a motion on notice to interested Holders of Claims or Interests to effectuate such Distributions. All Distributions under the Plan will be tendered to the Holder of the Allowed

Claim or Allowed Interest in accordance with the terms of this Plan. Except as specifically set forth in this Plan, no Distributions will be made and no rights will be retained on account of (i) any Claim that is not an Allowed Claim or (ii) any Interest.

3. **No Substantive Consolidation**. This Plan does not effect a substantive consolidation of the Debtors. Allowed Claims against any one Debtor will be satisfied solely from the Assets of such Debtor and its Estate contributed to the Plan Trust. Nothing in the Plan or the Disclosure Statement shall constitute or be deemed to constitute an admission that any one of the Debtors is subject to or liable for any Claim against any other Debtor. A Claim against multiple Debtors co-liable on such Claim, to the extent allowed in each Debtor's case, will be treated as a separate Claim against each Debtor's Estate for all purposes (including, but not limited to, voting and Distribution; provided, however, that there shall be only a single recovery on account of such Claim and any Distribution from an Estate on account of such Claim shall take into account the legal effect, if any, of Distributions made or to be made by other Estates on account of such Claim pursuant to the Plan), and such Claim will be administered and treated in the manner provided in the Plan. No holder of a Claim against multiple Debtors co-liable on such Claim shall receive more than 100% of the Allowed Amount of such Claim in the aggregate from all Debtors.

4. **Intercompany Claims**. Intercompany Claims between Debtors are classified as General Unsecured Claims.

ARTICLE 3.

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS (INCLUDING DIP FACILITY CLAIMS), STATUTORY FEES, AND PRIORITY TAX CLAIMS

As provided in § 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Statutory Fees, and Priority Tax Claims shall not be classified for the purposes of voting or receiving Distributions under this Plan. Rather, all such Claims shall be treated separately as unclassified Claims on the terms set forth in this Article 3.

A. ADMINISTRATIVE EXPENSE CLAIMS

1. **Treatment.** Subject to (a) the bar date provisions herein and (b) additional requirements for Professionals and certain other Persons set forth below, each Holder of an Allowed Administrative Expense Claim against any of the Debtors shall receive, in full satisfaction, settlement, release and extinguishment of such Claim, as set forth in Article 7.B.2, Cash equal to the Allowed amount of such Administrative Expense Claim, unless the Holder agrees or shall have agreed to other treatment of such Claim no less favorable to the Debtors; provided, however, that any Administrative Expense Claim (x) incurred postpetition by a Debtor in the ordinary course of its businesses or (y) arising pursuant to one or more postpetition agreements or transactions entered into by any Debtor with Bankruptcy Court approval, shall be paid or performed in accordance with the terms and conditions of the particular transaction(s) and any agreement(s) relating thereto, or as otherwise agreed by the applicable Debtor or the Plan Trustee, on the one hand, and the Holder of such Administrative Expense Claim, on the other. The Holder of an Allowed Administrative

Expense Claim shall not be entitled to, and shall not be paid, any interest, penalty, or premium thereon, and any interest, penalty, or premium asserted with respect to an Administrative Expense Claim shall be deemed disallowed and expunged without the need for any further Order of the Bankruptcy Court.

2. **Administrative Expense Claim Bar Date (excluding Professional Claims)**

(a) Except for Professional Claims, which are addressed below, requests for payment of Administrative Expense Claims must be Filed and served on the counsel for the Debtors or the Plan Trustee (as applicable) no later than (a) 30 days after a notice of the Effective Date is Filed with the Bankruptcy Court and served, or (b) such later date, if any, as the Bankruptcy Court shall order upon application made prior to the end of such 30-day period (referred to as the Administrative Expense Claim Bar Date). Holders of Administrative Expense Claims (including, without limitation, the Holders of any Claims for federal, state or local taxes, but excluding Professional Claims) that are required to File a request for payment of such Claims and that do not File such requests by the applicable Bar Date shall be forever barred from asserting such Claims against the Debtors, the Plan Trust or any of their property. Notwithstanding the foregoing, any Bar Dates established during the course of these Chapter 11 Cases shall remain in full force and effect.

(b) All objections to allowance of Administrative Expense Claims (excluding Professional Claims) must be Filed by any parties in interest no later than ninety (90) days (referred to as the Administrative Expense Claim Objection Deadline) after the Administrative Expense Claim Bar Date. The Administrative Expense Claim Objection Deadline may be initially extended for an additional 90 days at the sole discretion of the Plan Trustee upon the Filing of a notice of the extended Administrative Expense Claim Objection Deadline with the Bankruptcy Court. Thereafter, the Administrative Expense Claim Objection Deadline may be further extended by an Order of the Bankruptcy Court, which Order may be granted without notice to any Creditors. If no objection to the applicable Administrative Expense Claim is Filed on or before the Administrative Expense Claim Objection Deadline, as may be extended, such Administrative Expense Claim will be deemed Allowed, subject to the Bankruptcy Court's discretion to extend such bar date retroactively.

3. **Professional Claims Bar Date**

(a) All Professionals or other Persons requesting compensation or reimbursement of expenses pursuant to any of §§ 327, 328, 330, 331, 503(b) and 1103 of the Bankruptcy Code for services rendered on or before the Confirmation Date (including any compensation requested by any Professional or any Person other than the FDIC for making a substantial contribution in the Chapter 11 Cases) shall File and serve on counsel for the Debtors or the Plan Trustee (as applicable) an application for final allowance of compensation and reimbursement

of expenses accruing from the Petition Date to the Confirmation Date, no later than (a) 60 days after a notice of the Effective Date is Filed with the Bankruptcy Court and served or (b) such later date as the Bankruptcy Court shall order upon application made prior to the end of such 60-day period (referred to as the Professional Claims Bar Date). Notwithstanding the foregoing, the FDIC shall not be required to file an application to obtain the approval of the Bankruptcy Court for the FDIC Substantial Contribution Claim or payment of such Claim on the Effective Date of the Plan.

(b) Objections to Professional Claims or Claims of other Persons for compensation or reimbursement of expenses must be Filed and served on counsel for the Debtors or the Plan Trustee (as applicable) and the Professionals or other Persons to whose application the objections are addressed on or before (a) 25 days after the Professional Claims Bar Date or (b) such later date as (i) the Bankruptcy Court shall order upon application made prior to the end of such 25-day period or (ii) is agreed between the Debtors or the Plan Trustee, as applicable, and the affected Professional or other Person.

(c) Any professional fees incurred by the Debtors or the Creditors' Committee subsequent to the Confirmation Date may be paid by the Debtors or the Plan Trust without application to or Order of the Bankruptcy Court. The costs of the Plan Trust, including without limitation, the fees and expenses of the Plan Trustee and any Professionals retained by the Plan Trustee, shall be borne entirely by the Plan Trust.

B. DIP FACILITY CLAIMS

Any Allowed DIP Facility Claims against the Debtors that are parties to the DIP Loan Agreement shall be treated as Administrative Expense Claims and shall be satisfied (i) on or before the Effective Date in full in Cash, or in a manner otherwise permitted or required pursuant to the terms of the DIP Orders and the DIP Loan Agreement, or (ii) on such other terms as may be mutually agreed upon between the Holders of the DIP Facility Claims and TBW or the Plan Trustee. If, as at present, no amount is owed under the DIP Loan Agreement, there shall be no Allowed DIP Facility Claims.

C. STATUTORY FEES

All fees due and payable pursuant to 28 U.S.C. § 1930 and not paid prior to the Effective Date shall be paid in Cash. After the Effective Date, the Plan Trustee shall pay quarterly fees to the U.S. Trustee, in Cash, until the Chapter 11 Case for each applicable Debtor is closed and a final decree is entered. In addition, the Plan Trust shall file post-Confirmation quarterly reports in conformance with the U.S. Trustee guidelines. The U.S. Trustee shall not be required to File a request for payment of its quarterly fees, which will be deemed Administrative Expense Claims against the applicable Debtors and their Estates.

D. PRIORITY TAX CLAIMS

With respect to each Allowed Priority Tax Claim not paid prior to the Effective Date, at the sole option of the Plan Trustee, the Plan Trustee shall pay to each Holder of an Allowed Priority Tax Claim on account of such Allowed Priority Tax Claim, in full satisfaction, settlement, and release of such Allowed Priority Tax Claim, in Cash, (i) in accordance with Bankruptcy Code §§ 1129(a)(9)(C) and (D), equal Cash payments made on or before the last Business Day of every fiscal quarter after the Effective Date, over a period not exceeding five years after the assessment of the tax on which such Claim is based, totaling the principal amount of such Claim, plus interest on any outstanding balance of such Allowed Priority Tax Claim, calculated from the Effective Date at a rate to be determined pursuant to § 511 of the Bankruptcy Code; (ii) or pursuant to such other treatment agreed to by the Holder of such Allowed Priority Tax Claim and the Debtors or the Plan Trustee in writing, provided such treatment is no less favorable to the applicable Debtor or the Plan Trust than the treatment set forth in clause (a) hereof, or (iii) in full as set forth in Article 7.B.2 of this Plan. The Holder of an Allowed Priority Tax Claim shall not be entitled to assess any premium or penalty on such Claim and any asserted premium or penalty shall be deemed disallowed and expunged under the Plan without the need for a further order of the Bankruptcy Court. The Plan Trustee shall have the right to pay any Allowed Priority Tax Claim, or any remaining balance of such Claim, in accordance with the foregoing, at any time on or after the Effective Date, without premium or penalty of any kind.

ARTICLE 4.

TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS

As required by the Bankruptcy Code, this Plan places Claims and Interests into various Classes according to their right to priority and other relative rights. This Plan specifies whether each Class of Claims or Interests is impaired or unimpaired and sets forth the treatment each Class will receive. The treatment provided to each Holder of an Allowed Claim under this Plan is in full satisfaction, settlement, and release of, and in exchange for, each Allowed Claim of such Holder and, with respect to each Holder of an Allowed Secured Claim, results in the extinguishment of all Liens held by such Holder that secure such Allowed Secured Claim unless the treatment for such Claim in Article 4 of this Plan specifically provides that such Holder shall retain any such Lien. As provided in Article 8.E of this Plan, to the extent any Assets of any Debtor are subject to conflicting Claims of Creditors asserting Liens against or title to such Assets, no Distribution will be made on account of such Claims until the validity, priority or extent of such Liens or ownership rights are established in accordance with Article 8.D of this Plan.

A. PRIORITY CLAIMS AGAINST ALL DEBTORS (TBW Class 1, HAM Class 1, and REO Class 1)

1. Each of TBW Class 1, HAM Class 1, and REO Class 1, which are Unimpaired, consists of all Allowed Priority Claims against a particular Debtor.

2. Unless the Holder of an Allowed Priority Claim and the Debtor against which such Claim is asserted (if prior to or on the Effective Date) or the Plan Trustee (if after the Effective Date) agree to a different treatment, the Plan Trustee shall pay each such Holder of an Allowed Priority Claim in full, in Cash, without interest.

B. FDIC SECURED CLAIMS (TBW Classes 2 and 3)

1. TBW Classes 2 and 3, which are Impaired, consist of the Allowed FDIC Secured Claims against TBW. The FDIC Secured Claims are secured by first-priority Liens in certain Assets of TBW as described in the FDIC Settlement Agreement.

2. In full satisfaction, settlement, and release of, and in exchange for, each Allowed FDIC Secured Claim, the FDIC shall receive the treatment set forth in the FDIC Settlement Agreement.

C. SOVEREIGN SECURED CLAIM AGAINST TBW (TBW Class 4)

1. TBW Class 4, which is Impaired, consists of any Allowed Sovereign Secured Claim against TBW. Sovereign asserts a Secured Claim based upon an asserted Lien in TBW's rights under certain servicing agreements and all Cash proceeds thereof.

2. On the later of the Effective Date (or as soon thereafter as practicable) and the date the Sovereign Secured Claim becomes an Allowed Sovereign Secured Claim pursuant to a Final Order (or as soon thereafter as practicable), at the sole option of the Plan Trustee, the Holder of such Allowed Sovereign Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Sovereign Secured Claim, one or a combination of the following: (a) payment in Cash up to the Allowed amount of the Sovereign Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) all or any portion of the Assets securing the Allowed Sovereign Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Sovereign Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

D. NATIXIS SECURED CLAIM AGAINST TBW (TBW Class 5)

1. TBW Class 5, which is Impaired, consists of any Allowed Natixis Secured Claim against TBW. Natixis asserts a Secured Claim based upon an asserted Lien in TBW's rights under certain servicing agreements and all Cash proceeds thereof.

2. On the later of the Effective Date (or as soon thereafter as practicable) and the date the Natixis Secured Claim becomes an Allowed Natixis Secured Claim pursuant to a Final Order (or as soon thereafter as practicable), at the sole option of the Plan Trustee, the Holder of such Allowed Natixis Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Natixis Secured Claim, one or a

combination of the following: (a) payment in Cash up to the Allowed amount of the Natixis Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) all or any portion of the Assets securing the Allowed Natixis Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Natixis Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

E. PLAINFIELD SECURED CLAIM AGAINST TBW (TBW Classes 6)

1. TBW Class 6, which is Impaired, consists of any Allowed Plainfield Secured Claim against TBW. Plainfield asserts a Secured Claim based upon an asserted subordinate Lien in TBW's rights under certain servicing agreements and all Cash proceeds thereof. The Assets Plainfield asserts a Lien in as security for the Plainfield Secured Claim are the same Assets that Sovereign alleges is security for the Sovereign Secured Claim.

2. If the Plainfield Secured Claim becomes an Allowed Plainfield Secured Claim, then, on the later of the Effective Date (or as soon thereafter as practicable) and the date of such allowance pursuant to a Final Order (or as soon thereafter as practicable), at the sole option of the Plan Trustee, the Holder of such Allowed Plainfield Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Plainfield Secured Claim, one or a combination of the following: (a) payment in Cash up to the Allowed amount of the Plainfield Secured Claim, after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all Liquidation Expenses and paid the Sharing Percentage; (b) all or any portion of the Assets securing the Allowed Plainfield Secured Claim; (c) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Plainfield Secured Claim; or (d) such other treatment not inconsistent with the Bankruptcy Code as may be agreed by the Holder and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

F. OTHER SECURED CLAIMS AGAINST ALL DEBTORS (TBW Class 7, HAM Class 2, and REO Class 2)

1. TBW Class 7, HAM Class 2, and REO Class 2, which may be Impaired, comprise, respectively, all Allowed Other Secured Claims against a particular Debtor. These Classes comprise Secured Claims other than those that are separately classified.

2. On the later of the Effective Date (or as soon thereafter as practicable) and the date that an Other Secured Claim becomes an Allowed Other Secured Claim pursuant to a Final Order (or as soon thereafter as practicable), with respect to each Allowed Other Secured Claim, at the sole option of the Plan Trustee: (a) subject to the requirements of § 1124(2) of the Bankruptcy Code, the legal, equitable, and contractual rights of the Holder of such Allowed Other Secured Claim shall be reinstated in full as of the Effective Date and remain unaltered; or (b) the Holder of such Allowed Other Secured Claim shall receive, in full satisfaction, settlement, and release of, and in exchange for, the Holder's Allowed Other Secured Claim,

one or a combination of the following: (i) payment in Cash up to the amount of the Allowed Other Secured Claim after the Assets securing such Claim have been liquidated by the Plan Trustee and the Plan Trust is reimbursed for all its Liquidation Expenses and paid the Sharing Percentage; (ii) all or any portion of the Assets securing the Allowed Other Secured Claim; (iii) deferred Cash payments having a present value on the Effective Date equal to the amount of the Allowed Other Secured Claim that is not otherwise satisfied on the Effective Date, provided that the Holder of such Claim shall retain its Lien in any Assets securing such Claim; (iv) such other treatment as would provide the Holder the indubitable equivalent of its Allowed Other Secured Claim; or (v) such other treatment as may be agreed by the Holder and the Debtor against which the Allowed Other Secured Claim is asserted (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date).

3. To the extent that the value of the Assets securing any Allowed Other Secured Claim exceeds the Allowed Amount of such Claim, then, as contemplated by § 506(b) of the Bankruptcy Code, the Holder of such Claim shall be entitled: (a) if the Other Secured Claim arises from a written agreement, to interest accrued (i) from the Petition Date to the Maturity Date at the non-default rate of interest under such agreement and (ii) from the Maturity Date to the Effective Date at the lesser of (A) the non-default rate of interest under the agreement and (B) the federal judgment rate of interest; (b) if the Other Secured Claim is a tax claim, interest at a rate to be determined pursuant to § 511 of the Bankruptcy Code; and (c) any reasonable fees, costs, or charges payable under the agreement or State statute giving rise to such Other Secured Claim.

G. GENERAL UNSECURED CLAIMS AGAINST ALL DEBTORS (TBW Class 8, HAM Class 3, and REO Class 3)

1. TBW Class 8, HAM Class 3, and REO Class 3, which are Impaired, consist of all Allowed Unsecured Claims against each Debtor, respectively, other than Trade Claims against TBW and Subordinated Claims. Claims in TBW Class 8, Ham Class 3 and REO Class 3 shall include, without limitation, intercompany Claims among the Debtors and EPD Claims and Breach of Warranty Claims. For the avoidance of doubt, Claims in TBW Class 8 shall include, without limitation, (a) the FDIC's General Unsecured Claim (referred to in this Plan as the FDIC GUC Claim), as provided for in the FDIC Settlement Agreement; (b) the unsecured portion of any Claim secured by a Lien and (c) Allowed Unsecured Claims of (i) any Insider of TBW; (ii) any institutional or non-institutional lender to TBW, including, but not limited to, warehouse and non-warehouse-line lenders and lenders asserting security interests in mortgage loans (or related debt or equity securities) or servicing rights or revenue related to mortgage loans; and (iii) any institutional or non-institutional investor in mortgage loans (or related debt or equity securities).

2. Each Holder of an Allowed Unsecured Claim in TBW Class 8, HAM Class 3, and REO Class 3 shall receive its *pro rata* share of the Net Distributable Assets of the applicable Estate. With respect to TBW Class 8, the *pro rata* share shall be calculated by including with the TBW Class 8 Allowed Claims all the Allowed Trade Claims in TBW Class 9.

H. GENERAL UNSECURED CLAIMS (TRADE CREDITORS) AGAINST TBW (TBW Class 9)

1. TBW Class 9, which is Impaired, consists of Holders (referred to as Trade Creditors) of Trade Claims. The term "Trade Claims" shall mean Allowed Unsecured Claims for goods or services provided to or performed for or on behalf of TBW but specifically excluding Claims of (a) any insider of TBW; (b) any institutional or non-institutional lender to TBW, including but not limited to warehouse and non-warehouse-line lenders and lenders asserting security interests in mortgage loans (or related debt or equity securities) or servicing rights or revenue related to mortgage loans; and (c) any institutional or non-institutional investor in mortgage loans (or related debt or equity securities). The Plan Trustee shall disburse, on behalf of the FDIC, to each Holder of an Allowed Trade Claim its *pro rata* share of (a) 10% of the first $100 million available for Distribution in respect of the FDIC GUC Claim, plus (b) 5% of all amounts thereafter available for Distribution in respect of the FDIC GUC Claim until a total of $15 million (referred to as the Trade Creditor Recovery) is received by the Holders of Allowed Trade Claims. The *pro rata* share which each Holder of a Trade Claim shall receive shall be based on the total amount of the Allowed Trade Claims

2. The terms of payment of the Trade Creditor Recovery from Cash available for Distribution in respect of the FDIC GUC Claim shall be as set forth in the FDIC Settlement Agreement. As provided therein, the FDIC shall have no obligation to share recoveries with the Trade Creditors after a total of $15 million is paid by the FDIC to the Plan Trust for the benefit of Trade Creditors. Neither the FDIC GUC Claim or any Claims other than those of Trade Creditors shall receive any Distribution from the Trade Creditor Recovery.

3. Notwithstanding anything contained in Article 4.G to the contrary, the Holders of TBW Class 9 Claims shall also receive a *pro rata* share of the Net Distributable Assets. This *pro rata* share shall be calculated by including with the TBW Class 8 Allowed Claims all the Allowed Trade Claims in TBW Class 9.

I. SUBORDINATED CLAIMS AGAINST ALL DEBTORS (TBW Class 10, HAM Class 4, REO Class 4

1. TBW Class 10, HAM Class 4, and REO Class 4, which are Impaired, consist of all Subordinated Claims against all of the Debtors. Holders of Claims in these Classes are expected to receive no Distribution on account of such Claims because the Net Distributable Assets are expected to be insufficient to satisfy Unsecured Claims senior to the Subordinated Claims.

J. INTERESTS IN ALL DEBTORS (TBW Class 11, HAM Class 5, and REO Class 5)

1. Each of TBW Class 11, HAM Class 5, and REO Class 5, which are Impaired, consist of Interests in all of the Debtors.

2. Holders of Interests in these Classes shall receive no Distribution or dividend on account of such Interests, because the Net Distributable Assets are expected to be insufficient to satisfy Unsecured Claims. The entry of the Confirmation Order shall act as an order approving and effecting, as of the Effective Date, the cancellation of all Interests (and all securities

convertible or exercisable for or evidencing any other right in or with respect to the Interests) outstanding immediately prior to the Effective Date, without any conversion thereof or Distribution with respect thereto.

ARTICLE 5.

ACCEPTANCE OR REJECTION OF THIS PLAN

A. IMPAIRED CLASSES OF CLAIMS ENTITLED TO VOTE

Except as otherwise provided in order(s) of the Bankruptcy Court pertaining to solicitation of votes on this Plan, the Holders of Claims or Interests in the Classes set forth in the following table are, or may be, Impaired and shall be entitled to vote to accept or reject this Plan:

Class(es)	Description
TBW Class 2	FDIC Secured Claim (AOT Facility)
TBW Class 3	FDIC Secured Claim (Overline Facility)
TBW Class 4	Sovereign Secured Claim (Sovereign Loan Facility)
TBW Class 5	Natixis Secured Claim (Natixis Facility)
TBW Class 6	Plainfield Secured Claim (Plainfield Term Loan)
TBW Class 7	Other Secured Claims
TBW Class 8	General Unsecured Claims
TBW Class 9	General Unsecured Claims (Trade Creditors)
HAM Class 2	Other Secured Claims
HAM Class 3	General Unsecured Claims
REO Class 2	Other Secured Claims
REO Class 3	General Unsecured Claims

Each of the above-referenced Classes of Claims shall be considered a separate Class for purposes of voting to accept or reject this Plan. If and to the extent any Class identified as being Unimpaired is actually Impaired (whether as a result of the terms of this Plan or any modification or amendment thereto), the Holders of Claims in such Class shall be entitled to vote to accept or reject this Plan.

B. CLASSES DEEMED TO ACCEPT THIS PLAN

The Holders of Claims in the Classes set forth in the following table are Unimpaired and shall be deemed to accept this Plan:

Class	Description
TBW Class 1	Priority Non-Tax Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))
HAM Class 1	Priority Non-Tax Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))
REO Class 1	Priority Non-Tax Claims (including Claims for wages under § 507(a)(4) for contribution to employee benefit plans under § 507(a)(5) and for consumer deposits under § 507(a)(7))

Pursuant to § 1126(f) of the Bankruptcy Code, each of the above-referenced Classes of Claims is conclusively presumed to have accepted this Plan, and the votes of Holders of Claims in such Classes therefore will not be solicited.

C. CLASSES DEEMED TO REJECT THIS PLAN

Holders of Claims or Interests in the Classes set forth in the following table are not expected to receive or retain any property under this Plan on account of such Claims or Interests:

Class	Description
TBW Class 10	Subordinated Claims
TBW Class 11	Interests
HAM Class 4	Subordinated Claims
Ham Class 5	Interests
REO Class 4	Subordinated Claims
REO Class 5	Interests

Pursuant to § 1126(g) of the Bankruptcy Code, the above-referenced Classes are Impaired and are deemed to have rejected this Plan. Therefore, the votes of Holders of Claims or Interests in such Classes will not be solicited.

D. NONCONSENSUAL CONFIRMATION

As set forth in Article 14, if any Impaired Class fails to accept this Plan, the Plan Proponents hereby request that the Bankruptcy Court confirm this Plan as a Cramdown Plan pursuant to § 1129(b) of the Bankruptcy Code with respect to any such Class.

ARTICLE 6.

MEANS OF IMPLEMENTING THIS PLAN

A. IMPLEMENTATION OF PLAN

The Plan shall be implemented and consummated through the means contemplated by §§ 1123(a)(5)(B), (D), (E), (F) and (G) and 1123(b)(2)(b)(3) and (b)(4) of the Bankruptcy Code on and after the Effective Date.

B. CORPORATE ACTION

On the Effective Date, (i) the matters under this Plan involving or requiring corporate action of the Debtors or their subsidiaries, including, but not limited to, actions requiring a vote or other approval of the board of directors or shareholders and execution of all documentation incident to this Plan, shall be deemed to have been authorized by the Confirmation Order and to have occurred and be in effect from and after the Effective Date without any further action by the Bankruptcy Court or the officers or directors of the Debtors or their subsidiaries, and (ii) the officers and directors of the Debtors shall immediately cease to serve and the Plan Trustee shall be deemed the sole director and officer of each of the Debtors for all purposes, without any further action by the Bankruptcy Court or the officers or directors of the Debtors or their subsidiaries.

C. DISSOLUTION OF DEBTORS

On and after the Effective Date, (i) the Plan Trustee shall be authorized, in his sole and absolute discretion, to take all actions reasonably necessary to dissolve the Debtors and their subsidiaries under applicable laws, including the laws of the jurisdictions in which they may be organized or registered, and to pay all reasonable costs and expenses in connection with such dissolutions, including the costs of preparing or Filing any necessary paperwork or documentation. The Plan Trustee shall have no liability for using his discretion to dissolve or not dissolve any of the Debtors or their subsidiaries. Whether or not dissolved, the Debtors shall have no authorization to implement the provisions of this Plan from and after the Effective Date except as specifically provided otherwise in the Plan.

D. DISSOLUTION OF CREDITORS' COMMITTEE

On the Effective Date, the Creditors' Committee shall dissolve automatically, whereupon their members, Professionals and agents shall be released from any further duties and responsibilities in the Chapter 11 Cases and under the Bankruptcy Code, except that such parties shall continue to be bound by any obligations arising under confidentiality agreements, joint

defense/common interest agreements (whether formal or informal), and protective Orders entered during the Chapter 11 Cases, which shall remain in full force and effect according to their terms.

E. CONSUMMATION OF FDIC SETTLEMENT AGREEMENT

1. Pursuant to the FDIC Settlement Agreement, the FDIC's ownership of 99% participation interests in the mortgage loans purchased pursuant to the COLB Documents for which there are no conflicting claims of ownership with third parties or for which Colonial Bank is determined to have superior ownership rights shall be recognized. To the extent any Person makes a competing Claim of ownership in any COLB Loans, such Claim shall be determined at or prior to the Confirmation Hearing. A list of the COLB Loans for which the FDIC's superior rights shall be recognized is attached as an exhibit to the FDIC Settlement Agreement, which shall be supplemented by any Order issued by the Bankruptcy Court if the FDIC's superior right to any such COLB Loan is contested in a timely manner by any Person and such Person's Claim is determined by the Bankruptcy Court to be senior to the FDIC's Claim. On the Effective Date, TBW shall transfer all right, title, and interest of TBW and affiliates in and to such COLB Loans to the FDIC, free and clear of all claims, encumbrances, liens, and interests in and to such COLB Loans of any kind or nature pursuant to § 1123(a)(5) of the Bankruptcy Code, subject to the 99% participation interest therein held by the FDIC such that, as of the Effective Date, the FDIC shall have the right to sell, securitize, syndicate or otherwise dispose of such COLB Loans or any interest therein or any interest created thereby resulting from the COLB Loans into a securitization. The FDIC shall pay the Debtor 1% of the net proceeds of any such disposition from the COLB Loans, in whole or in part, or any other proceeds collected with respect to the COLB Loans, as and when and in the same manner that the FDIC receives payment for such disposition or collection.

2. The FDIC Documents relating to the vesting of title to the COLB Loans in, or the grant or perfection of a security interest in the AOT Loans or Overline Loans in favor of, the FDIC shall be attached as exhibits to the Plan Supplement.

3. The FDIC shall be granted, and paid on or about the Effective Date, an Administrative Claim in the amount of $1.75 million in recognition of the FDIC's substantial contribution to TBW's Chapter 11 Case through the Reconciliations, as an actual, necessary cost and expense of preserving TBW's estate pursuant to Bankruptcy Code § 503(b)(3)(D).

4. The FDIC shall have an Allowed General Unsecured Claim in the amount set forth in Section 1.9 of the FDIC Settlement Agreement (referred to in this Plan as the FDIC GUC Claim).

5. Pursuant to Section 1.10 of the FDIC Settlement Agreement, the FDIC has assigned, for the benefit of the Trade Creditors (TBW Class 9), the Trade Creditor Recovery, which is not an asset of the Estate and which represents a portion of the Distribution to which the FDIC is entitled by virtue of the FDIC GUC Claim. The treatment of TBW Class 9 Claims reflects this partial assignment.

6. Certain other provisions of the FDIC Settlement Agreement are incorporated into other Articles of this Plan, including Article 4, titled Treatment of Claims and Interests, and Article 10, titled Exculpations and Releases.

7. All terms and conditions of the FDIC Settlement Agreement, a copy of which will be attached as an exhibit to the Plan Supplement, are incorporated by reference as terms and conditions of the Plan. As provided in Article 13.K of this Plan, in case of conflict between the Plan and the FDIC Settlement Agreement, the terms of the FDIC Settlement Agreement shall control.

F. VESTING OF ASSETS IN PLAN TRUST; ASSUMPTION OF PLAN OBLIGATIONS

1. **Vesting of Assets in the Plan Trust.** On the Effective Date, all Assets of the Estates shall vest in the Plan Trust and constitute Plan Trust Assets, and each Debtor shall be deemed for all purposes to have transferred legal and equitable title of all Assets of its Estate to the Plan Trust for the benefit of the Holders of Claims against its Estate, whether or not such Claims are Allowed Claims as of the Effective Date, subject, however, to the Plan Liabilities. In accordance with § 1123(b) of the Bankruptcy Code, the Plan Trust shall be vested with, retain and may exclusively enforce, prosecute, and resolve any or all Causes of Action that the Debtors, the Estates, or the Creditors' Committee may have against any Person.

2. **Transfer of Plan Trust Assets by the Debtors.** On the Effective Date or as soon as practicable thereafter, the Debtors shall take all actions reasonably necessary to transfer control of the Plan Trust Assets to the Plan Trustee. Upon the transfer of control of the Plan Trust Assets in accordance with this Section, the Debtors shall have no further interest in or with respect to the Plan Trust Assets or the Plan Trust.

3. **Assumption of Plan Obligations.** On the Effective Date, all of the Debtors' rights and obligations with respect to each and every Administrative Expense Claim, Priority Tax Claim, Priority Claim, and Secured Claim, and all other rights and obligations of the Debtors under this Plan, shall be assigned to and assumed by the Plan Trust.

4. **Transfer of Plan Trust Assets - Tax Treatment.** For federal income tax purposes, all parties (including the Debtors, the Plan Trustee, and the Holders of Claims) shall treat the transfer of the Plan Trust Assets to the Plan Trust in accordance with the terms of this Plan as a transfer to the Holders of the Claims that have a beneficial interest in the Plan Trust, with the Holders of Claims receiving an undivided interest in the Plan Trust Assets attributable to the Debtor with respect to which their Claims relate, followed by a transfer of the Plan Trust Assets by such Holders to the Plan Trust, and the beneficiaries of the Plan Trust shall be treated as the grantors and owners of such beneficiaries' respective portion of the Plan Trust. Notwithstanding the foregoing, in the event that the Plan Trustee timely elects to treat any portion of the Plan Trust subject to disputed claims as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations, any Holders of Claims who, as of the Effective Date, are holders of Disputed Claims shall, to the extent of such Disputed Claims,

be subject to U.S. federal income taxation in accordance with rules set forth in § 468B of the Internal Revenue Code and the Treasury Regulations thereunder.

G. PLAN TRUST

1. **Formation of Plan Trust.** The Plan Trust shall be formed on or prior to the Effective Date. The Holders of Claims shall be the sole beneficiaries of the Plan Trust.

2. **Plan Trust Agreement.** The form of the Plan Trust Agreement to be executed following Confirmation of the Plan shall be attached an exhibit to the Plan Supplement. The Plan Trust Agreement shall set forth the provisions necessary to govern the rights, powers, and obligations of the Plan Trustee and his appointment and removal, as well as to ensure the treatment of the Plan Trust as a liquidating trust for federal income tax purposes.

3. **Appointment of the Plan Trustee**

(a) Neil F. Luria, currently TBW's Chief Restructuring Officer, shall serve as the initial Plan Trustee. The Plan Trustee shall commence serving as the Plan Trustee on the Effective Date.

(b) The Plan Trustee shall be deemed the Estates' representative in accordance with § 1123(b) of the Bankruptcy Code and shall have all powers, authority and responsibilities specified in this Plan and the Plan Trust Agreement, including, without limitation, the powers of a trustee under §§ 704, 1106 and 108 of the Bankruptcy Code and Rule 2004 of the Bankruptcy Rules (including commencing, prosecuting or settling Causes of Action, enforcing contracts, and asserting defenses, offsets and privileges), to the extent not inconsistent with the status of the Plan Trust as a "liquidating trust" for federal income tax purposes within the meaning of Treasury Regulation § 301.7701-4(d), except as otherwise provided for U.S. federal income tax purposes in the event that the Plan Trustee timely elects to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations.

(c) The Confirmation Order shall state that without a Final Order of the Bankruptcy Court so providing, no judicial, administrative, arbitral, or other action or proceeding shall be commenced in any forum other than the Bankruptcy Court against the Plan Trustee in his official capacity, with respect to his status, duties, powers, acts, or omissions as Plan Trustee.

(d) The Confirmation Order shall set the amount of any initial bond to be maintained by the Plan Trustee.

4. **Term and Compensation of the Plan Trustee**

(a) The Plan Trustee shall initially be compensated as set forth in the Plan Trust Agreement (which compensation may be revised by agreement between the Plan Trustee and the Plan Advisory Committee without further Order of the

Bankruptcy Court), and he shall not be required to file a fee application to receive compensation. The Plan Trustee's compensation shall, however, be subject to review and, if appropriate, objection by the Plan Advisory Committee as set forth in the Plan Trust Agreement.

(b) The Plan Trustee may be removed by the Bankruptcy Court upon petition made by the Plan Advisory Committee for Cause. The Plan Advisory Committee shall have the authority to appoint a successor trustee as set forth in the Plan Trust Agreement.

5. **Liquidation of Plan Trust Assets; Responsibilities of Plan Trustee**

(a) The Plan Trustee shall be vested with the rights, powers and benefits set forth in the Plan Trust Agreement. The Plan Trustee shall consult with the Plan Advisory Committee generally and shall obtain the consent or approval of the Plan Advisory Committee in connection with all Material Decisions (as such term is defined in the Plan Trust Agreement).

(b) The Plan Trustee, in his reasonable business judgment and in an expeditious but orderly manner, shall liquidate and convert to Cash the Plan Trust Assets, make timely Distributions and not unduly prolong the duration of the Plan Trust. The liquidation of the Plan Trust Assets may be accomplished, either in whole or in combination, by the prosecution, settlement, or sale of Plan Trust Assets, including Causes of Action, or any other means permitted by law. The Plan Trustee shall distribute the proceeds of liquidation of the Plan Trust Assets among the Estates in accordance with this Plan.

(c) The Plan Trustee shall be empowered to retain professionals, including but not limited to, attorneys, accountants, investment advisors, auditors and other agents on behalf of the Plan Trust, as necessary or desirable to carry out the obligations of the Plan Trustee under the Plan Trust Agreement. The Plan Trustee may retain counsel in any matter related to the administration of the Plan or the Plan Trust Assets, including counsel that has acted as counsel for the Debtors or the Creditors' Committee or its members in the Chapter 11 Cases. Approval of the Bankruptcy Court shall not be required for the Plan Trustee to retain or pay any such professionals.

6. **Valuation of Assets.** As soon as practicable after the Effective Date, the Trustee shall apprise each of the Beneficiaries in writing of the value of the Plan Trust Assets by Filing such valuation with the Bankruptcy Court. The valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Plan Trustee, and Holders of Unsecured Claims) for all federal income tax purposes.

7. **Payments by the Plan Trust.** The Plan Trustee shall make Distributions to Holders of Allowed Claims in accordance with Article 7 of this Plan.

8. **Investment Powers of the Plan Trustee.** All funds held by the Plan Trustee shall be held in Cash or invested in demand and time deposits, such as certificates of deposit, having maturities of not more than one year, U.S. Treasury bills, or other temporary liquid investments all as more particularly described in the Plan Trust Agreement consistent with § 345 of the Code; provided, however, that the right and power of the Plan Trustee to invest Plan Trust Assets, the proceeds thereof, or any income earned by the Plan Trust, shall be limited to the right and power that a liquidating trust is permitted to exercise pursuant to the Treasury Regulations or as set forth in IRS rulings, notices, or other IRS pronouncements. The Plan Trustee may expend the Cash of the Plan Trust (x) as reasonably necessary to meet contingent liabilities and to maintain the value of the Plan Trust Assets during liquidation, (y) to pay reasonable administrative expenses (including, but not limited to, any taxes imposed on the Plan Trust) and (z) to satisfy other liabilities incurred by the Plan Trust in accordance with this Plan or the Plan Trust Agreement.

9. **Disputed Ownership Fund.** With the approval of the Plan Advisory Committee, the Plan Trustee may make the election described in § 1.468B-9(c)(2)(ii) of the Treasury Regulations to treat any portion of the Plan Trust subject to Disputed Unsecured Claims as a "disputed ownership fund." The Plan Trustee may also, to the extent permitted by law, make such an election for state and local income tax purposes. If the election is made to treat the Disputed Claims as a "disputed ownership fund," then the Plan Trust may (a) allocate taxable income or loss to the Disputed Claims, with respect to any given taxable year (but only for the portion of the taxable year with respect to which such Claims are Disputed), and (b) distribute assets from the Disputed Claims Reserve as, when, and to the extent, such Claims that are Disputed cease to be Disputed, whether by virtue of becoming Allowed or otherwise resolved. The Beneficiaries will be bound by such election, if made by the Trustee, and, as such, will, for U.S. federal income tax purposes (and, to the extent permitted by law, for state and local income tax purposes), report consistently therewith.

10. **Reporting Duties.**

(a) **Grantor Trust Status.** Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the receipt by the Plan Trustee of a private letter ruling if the Plan Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Plan Trustee), the Plan Trustee shall file returns for the Plan Trust as a grantor trust pursuant to Treasury Regulations § 1.671-4(a), giving effect to any timely elections made by the Plan Trustee to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations.

(b) **Annual Financial Statements and Statements to Beneficiaries.** The Plan Trustee shall also send to each Holder of a beneficial interest in the Plan Trust (referred to as Beneficiaries) an annual statement setting forth the Holder's share of items of income, gain, loss, deduction or credit and provide to all such Holders information for reporting such items on their federal income tax returns, as described in the Plan Trust Agreement, except as otherwise provided for U.S. federal income tax purposes in the event that the Plan Trustee timely elects to treat

any portion of the Plan Trust as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations. The Plan Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Plan Trust that are required by any Governmental Authority.

(c) **Allocation of Plan Trust Taxable Income**. Subject to the terms of paragraph (e) below, allocations of Plan Trust taxable income shall be determined by reference to the manner in which an amount of Cash equal to such taxable income would be distributed (without regard to any restrictions on Distributions described herein) if, immediately prior to such deemed Distribution, the Plan Trust had distributed all of its other assets (valued for this purpose at their tax book value) to the Holders of the beneficial interests in the Plan Trust (treating any holder of a Disputed Claim, solely for the purpose of making such allocations, as a current Holder of a beneficial interest in the Plan Trust entitled to Distributions), taking into account all prior and concurrent Distributions from the Plan Trust and all Reserve allocations (including all Reserves established pending the resolution of Disputed Claims). Similarly, taxable loss of the Plan Trust shall be allocated by reference to the manner in which an economic loss would be borne immediately after a liquidating Distribution of the remaining Plan Trust Assets. For this purpose, the tax book value of the Plan Trust Assets shall equal their fair market value on the Effective Date or, if later, the date such assets were acquired by the Plan Trust, adjusted in either case in accordance with tax accounting principles prescribed by the IRC, the regulations and other applicable administrative and judicial authorities and pronouncements.

(d) **Other Filings**. The Plan Trustee shall file (or cause to be filed) any other statements, returns or disclosures relating to the Plan Trust that are required by the Plan Trust Agreement or any Governmental Authority.

(e) **Disputed Ownership Fund – Tax Effect**. Notwithstanding the foregoing, in the event that the Plan Trustee timely elects to treat any portion of the Plan Trust subject to Disputed Claims as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations, any Holders of Claims who, as of the Effective Date, are Holders of Disputed Claims shall, to the extent of such Disputed Claims, be subject to U.S. federal income taxation in accordance with rules set forth in Section 468B of the Internal Revenue Code and the Treasury Regulations thereunder.

11. **Registry of Beneficial Interests.** To evidence the beneficial interest in the Plan Trust of each Holder of such an interest, the Plan Trustee shall maintain a registry of such Holders.

12. **Non-Transferable.** Upon issuance thereof, interests in the Plan Trust shall be transferable after written notice to the Trustee only: (a) pursuant to applicable laws of descent and distribution (as in the case of a deceased individual Beneficiary); or (b) by operation of law (as in the case of merger of a corporate Beneficiary).

13. **Termination.** The Plan Trust shall terminate after the Distribution of all Plan Trust Assets and the full performance of all other duties and functions of the Plan Trustee set forth herein and in the Plan Trust Agreement, or as otherwise ordered by the Bankruptcy Court. The Plan Trust shall terminate no later than the fifth anniversary of the Effective Date; provided, however, that, within six months prior to such date or any extended termination date, the Bankruptcy Court, upon motion by the Plan Trustee or other party in interest, may extend the term of the Plan Trust for a finite period if it is necessary to the liquidating purpose thereof.

14. **Purpose of the Plan Trust.** The Plan Trust shall be established for the sole purpose of liquidating and distributing the Plan Trust Assets in accordance with Treasury Regulations § 301.7701-4(d), with no objective to continue or engage in the conduct of a trade or business. Subject to definitive direction to the contrary from the IRS (but subject to the rights of the Plan Trustee to seek administrative and judicial review of any such direction), all parties shall treat the Plan Trust as a liquidating trust for all federal income tax purposes, except as otherwise provided for U.S. federal income tax purposes in the event the Plan Trustee timely elects to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to Section 1.468B-9(c)(2)(ii) of the Treasury Regulations. The Plan Trust shall not be deemed to be the same legal entity as any of the Debtors, but only the assignee of certain assets and liabilities of the Debtors and a representative of the Estates for delineated purposes within the meaning of § 1123(b)(3) of the Bankruptcy Code.

H. PLAN ADVISORY COMMITTEE

1. **Appointment.** The Confirmation Order shall confirm the appointment of the Plan Advisory Committee, which shall begin to act on the Effective Date. The Plan Advisory Committee shall consist of three Creditors' Committee members chosen from those members willing to serve on the Plan Advisory Committee. In the event of resignation of any member of the Plan Advisory Committee, the remaining members shall designate a successor from among the Holders of Unsecured Claims and shall re-constitute itself as a committee of three. Until any such vacancy is filled, the Plan Advisory Committee shall function with reduced membership.

2. **Fiduciary Duties.** The fiduciary duties that applied to the Committee prior to the Effective Date, as limited by the exculpations, indemnifications, releases and other protections provided in this Plan, the Plan Trust Agreement, and the Confirmation Order, shall apply to the Plan Advisory Committee. The duties, rights and powers of the Plan Advisory Committee shall terminate upon the termination of the Plan Trust.

3. **Rights and Powers.** The Plan Advisory Committee shall oversee the actions of the Plan Trustee in accordance with the terms of the Plan Trust Agreement. The Plan Advisory Committee shall have the rights and powers set forth in the Plan Trust Agreement. The rights and powers shall include, but not be limited to, approving or consenting to all Material Decisions (certain of which approvals or consents may be obtained by notice and without the formality of a written approval or resolution of the Plan Advisory Committee, as more particularly set forth in the Plan Trust Agreement), including the following:

(a) the Plan Trustee's commencement or continuation of the prosecution of (i) any Cause of Action in which the amount sought to be recovered exceeds $1 million, or (ii) any objection to a Claim having a stated amount greater than $1 million;

(b) the Plan Trustee's determination not to object to a Claim having a stated amount in excess of $1 million;

(c) the settlement of (i) any Cause of Action in which the amount sought to be recovered exceeds $1 million or (ii) any Disputed Claim having a stated amount in excess of $1 million and to approve any release or indemnification to be given by the Plan Trustee in connection with any such settlement;

(d) any sale of any Assets for a price in excess of $500,000, but no consent or approval of the Plan Advisory Committee is required for any sale of REO or for any release of any individual mortgage loan, including any release for an amount which is less than the outstanding balance of the loan;

(e) all Distributions proposed by the Plan Trustee;

(f) the investment of Cash or other Plan Trust Assets, except for investments in demand and time deposits, such as certificates of deposit, having maturities of less than one year and in U.S. Treasury bills;

(g) the dissolution of any Debtor;

(h) the waiver of the attorney-client privilege by the Plan Trustee with respect to any Cause of Action or other litigation related matter, as described in Section XI.C of the Plan Trust Agreement;

(i) the election to treat any portion of the Plan Trust as a "disputed ownership fund" pursuant to § 1.468B-9(c)(2)(ii) of the Treasury Regulations;

(j) the election described in Article 7.J. of this Plan as regards undeliverable Distributions.

4. **Unanimous Decisions.** The Plan Advisory Committee shall also have the absolute right and power to determine the following by the unanimous vote of all the members of the Plan Advisory Committee:

(a) to change the initial bond to be posted by the Plan Trustee; and

(b) to petition the Bankruptcy Court to remove the Plan Trustee for Cause, or to select a successor Trustee when a successor is required.

5. **No Compensation.** Except for the reimbursement of reasonable actual costs and expenses incurred in connection with their duties as members of the Plan Advisory Committee,

including reasonable attorneys' fees subject to review by the Plan Advisory Committee, the members of the Plan Advisory Committee shall serve without compensation. Such reasonable actual costs and expenses may be paid by the Plan Trust without approval by the Bankruptcy Court.

6. **Objection to Fees.** The Plan Advisory Committee shall have the right, within 7 days from the delivery of a fee statement, to object to the fees of any professional retained by either the Plan Trust or the Plan Advisory Committee. The objection shall be lodged by giving notice of any such objection to the professional seeking compensation or reimbursement. For an objection to be valid, it shall be in writing and set forth in detail the specific fees objected to and the basis for the objection. Any objection that remains unresolved 15 days after it is made may be submitted to the Bankruptcy Court for resolution. The uncontested portion of each invoice shall be paid within 20 days after its delivery to the Plan Advisory Committee and the Plan Trustee.

7. **Removal of Plan Trustee.** The Plan Advisory Committee shall have the right to petition the Bankruptcy Court to remove the Plan Trustee for Cause. Upon such removal or upon the resignation or death of the Plan Trustee, the Plan Advisory Committee may appoint a successor Plan Trustee, and, in that event, the Plan Advisory Committee shall File with the Bankruptcy Court a notice of the appointment of the successor Plan Trustee.

I. LIMITATION OF LIABILITY FOR PLAN TRUST EXCULPATED PARTIES

Neither the Plan Trustee nor any member of the Plan Advisory Committee, nor their respective employees, professionals, agents, representatives or designees (referred to as the Plan Trust Exculpated Parties), shall be liable for any Claims, Causes of Action, liabilities, obligations, losses, damages, costs and expenses (including attorneys' fees and expenses), and other assertions of liability (referred to as the Plan Trust Released Claims) arising out of the discharge of the powers and duties conferred upon the Plan Trustee or the Plan Advisory Committee by the Plan Trust Agreement, this Plan or any Order, or requested to be performed by the Plan Trustee or any member of the Plan Advisory Committee, other than for Plan Trust Released Claims determined by a Final Order to have arisen or resulted solely from such Plan Trust Exculpated Party's gross negligence or willful misconduct. Any action taken or omitted to be taken with the approval of the Bankruptcy Court or the Plan Advisory Committee will conclusively be deemed not to constitute gross negligence or willful misconduct. No Holder of a Claim or other Person will have or be permitted to pursue any Claim or cause of action against any Plan Trust Exculpated Party for making or approving, or not making or approving, payments or Distributions in accordance with the Plan or for implementing the provisions of the Plan.

J. INDEMNIFICATION OF PLAN TRUST EXCULPATED PARTIES

To the fullest extent permitted by applicable law, the Plan Trust shall indemnify, defend and hold harmless each Plan Trust Exculpated Party from and against any and all Plan Trust Released Claims arising out of or resulting from such Exculpated Party's acts or omissions, or consequences of such acts or omissions, with respect to the implementation or administration of the Plan Trust or the Plan or the discharge of its duties thereunder or under the Plan Trust Agreement; provided, however, that no such indemnification will be made to such Exculpated

Party for Plan Trust Released Claims determined by a Final Order to have arisen or resulted solely from such Exculpated Party's gross negligence or willful misconduct. All fees, costs and expenses, including without limitation attorneys' fees and expert witness fees, incurred by a Plan Trust Exculpated Party in defending a civil or criminal action, suit or proceeding shall be paid by the Plan Trust in advance of the final disposition of such action, suit or proceeding.

K. RETENTION OF PROFESSIONALS

The Plan Trustee may retain professionals, including but not limited to, attorneys, accountants, investment advisors, auditors and other agents on behalf of the Plan Trust as necessary or desirable to carry out the obligations of the Plan Trustee hereunder and under the Plan Trust Agreement. More specifically, the Plan Trustee may retain counsel in any matter related to administration of the Plan, including counsel that has acted counsel for the Debtors, the Creditors' Committee, or the members of the Creditors' Committee.

L. PRESERVATION OF ALL CAUSES OF ACTION

Except as otherwise provided in the Plan or expressly in any contract, instrument, release or agreement entered into in connection with the Plan, in accordance with § 1123(b)(3) of the Bankruptcy Code, the Plan Trust shall be vested with and may exclusively enforce and prosecute any Causes of Action that the Debtors, the Estates, the Creditors' Committee or the Plan Trust may have against any Person. The Plan Trustee may pursue such retained Causes of Action in accordance with the best interests of the Plan Trust and its Beneficiaries.

M. SUCCESSORS; PRESERVATION OF PRIVILEGE

The Plan Trust shall be the successor to the Debtors and/or the Creditors' Committee for the purposes of §§ 1123, 1129, and 1145 of the Bankruptcy Code and with respect to all Causes of Action and other litigation-related matters. The Plan Trust shall succeed to the attorney-client privilege of the Debtors with respect to all Causes of Action and other litigation-related matters, and the Plan Trustee may waive the attorney-client privilege with respect to any Cause of Action or other litigation-related matter, or portion thereof, in the Plan Trustee's discretion, subject to the approval of the Plan Advisory Committee.

ARTICLE 7.

DISTRIBUTIONS UNDER THIS PLAN

A. GENERALLY.

The Plan Trustee shall apply the Plan Trust Assets only in accordance with this Plan and the Plan Trust Agreement. The Plan Trustee shall make all Distributions provided for in the Plan from the Plan Trust Assets, including those to be paid on the Effective Date. The Plan Trustee shall not be required to seek approval of the Bankruptcy Court or any other court with respect to the administration of the Plan Trust, or as a condition to making any payment or Distribution out

of the Plan Trust Assets; provided, however, that, with respect to any Distribution from any "disputed ownership fund" that the Plan Trustee may establish under § 1.468B-9(c)(2)(ii) of the Treasury Regulations, the Plan Trustee shall obtain Bankruptcy Court approval to the extent necessary to comply with the requirements of such Treasury Regulation. All Distributions and the Reserves described in this Article 7 shall be managed by the Plan Trustee in a manner that accounts for the priority of Distributions described in part E of this Article 7.

B. TIMING OF DISTRIBUTIONS

1. **Distributions on Secured Claims.** The Plan Trustee shall not distribute Cash as to which a Creditor claims a Lien until the validity, extent, and priority of the Lien has been determined by a Final Order. To the extent that a Lien is adjudicated in favor of such Creditor, it shall be entitled to a Distribution of such Cash in accordance with such Final Order and the treatment of such Secured Creditor's Allowed Claim under this Plan. The FDIC Secured Claims shall be deemed Allowed Claims by virtue of the Confirmation Order, and Distributions shall be made to the FDIC in conformance with this Plan and the FDIC Settlement Agreement as soon as practicable after the Confirmation Order becomes a Final Order.

2. **Distributions on Allowed Administrative Expense Claims, Priority Tax Claims and Priority Claims.** Except as otherwise provided in this Plan, each Holder of an Allowed Administrative Expense Claim, Priority Tax Claim and Priority Claim against any Debtor shall be entitled to a Distribution from Unencumbered Cash as soon as practicable after the later of (a) the Effective Date, and (b) the date upon which any such Claim becomes an Allowed Claim.

3. **Interim Distributions on Allowed Unsecured Claims.** Holders of Allowed Unsecured Claims shall be entitled to annual interim Distributions and may also receive more frequent interim Distributions on account of their respective Allowed Unsecured Claims from the Net Distributable Assets or the Trade Creditor Recovery, as applicable, of the applicable Estate then available, provided that, in either case, each of the following conditions precedent is satisfied: (a) any such Distribution is warranted, economical and not unduly burdensome to the Plan Trust; (b) the Plan Trust has paid all current and outstanding Plan Trust Operating Expenses, Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Priority Claims; and (c) the Plan Trust has allocated adequate funds to the Plan Trust Operating Expense Reserve, the Administrative and Priority Claims Reserve, and the Disputed Claims Reserve of the applicable Estate, and such Reserves will remain adequate after any such interim Distribution is made. This paragraph shall be interpreted to be consistent with Revenue Procedure 94-45 § 3.10.

4. **Final Distributions on Allowed Unsecured Claims.** After (a) the payment of all Plan Trust Operating Expenses, Administrative Expense Claims, Priority Tax Claims and Priority Claims, (b) the prosecution, settlement, or abandonment of all Causes of Action, (c) the allowance or disallowance of all Claims against the Estates, and (d) the liquidation or abandonment of all other Plan Trust Assets, the Holders of all Allowed Unsecured Claims shall be entitled to a Distribution of all remaining Plan Trust Assets pursuant to the terms of this Plan and the Plan Trust Agreement.

C. RESERVES

1. **Plan Trust Operating Expense Reserve.** On the Effective Date, the Plan Trustee shall establish the Plan Trust Operating Expense Reserve to ensure that the Plan Trust will have sufficient funds to pay all Plan Trust Operating Expenses that may arise at any time in connection with the administration of the Plan Trust. The amount of the Plan Trust Operating Expense Reserve shall be based on the Plan Trustee's good faith estimate of the amount necessary to complete the Plan Trust's obligations under this Plan and the Plan Trust Agreement.

2. **Administrative and Priority Claims Reserves.** On the Effective Date, the Plan Trustee shall establish for each Debtor's Estate an Administrative and Priority Claims Reserve to fund all Administrative Expense Claims, Priority Tax Claims and Priority Claims that are Disputed Claims or that are Allowed but unpaid, regardless of whether such Claim is Allowed before, on or after the Effective Date. The amount of each Administrative and Priority Claims Reserve shall be based on the Plan Trustee's good faith estimate of the amount necessary to pay all present and anticipated Allowed Administrative Expense Claims, Priority Tax Claims and Priority Claims against such Estate.

The amount reserved for each such Administrative Expense Claim that is a Disputed Claim shall be the lower of (i) the amount set forth in the request for payment of Administrative Expense Claim Filed by the Holder of such Claim, or, if no such request has been Filed, the amount set forth for such Claim in the Debtors' books and records, and (ii) the estimated amount of such Claim for Distribution purposes, as determined by the Bankruptcy Court as set forth in Article 8.F of this Plan.

The amount reserved for a Priority Tax Claim or a Priority Claim that is a Disputed Claim shall be the lower of (i) the amount set forth in the Proof of Claim Filed by the Holder of such Claim, or, if no Proof of Claim has been Filed, the Scheduled amount set forth for such Claim if it is shown on the Schedules as being noncontingent, liquidated, and undisputed, and (ii) the estimated amount of such Claim for Distribution purposes, as determined by the Bankruptcy Court pursuant to Article 8.F of this Plan.

3. **Disputed Claims Reserves.** Prior to making any Distributions on account of Unsecured Claims, the Plan Trustee shall establish a Disputed Claims Reserve for each Debtor's Estate. Each Disputed Claims Reserve shall be for the payment of any Unsecured Claim that is a Disputed Claim, to the extent such Disputed Unsecured Claim becomes an Allowed Unsecured Claim against such Debtor.

With respect to any interim Distribution made to Holders of Allowed Unsecured Claims, the amount reserved for each such Disputed Claim against any Debtor shall be the amount that would be distributed on account of such Claim if it were an Allowed Unsecured Claim in the lower of (a) the amount set forth in the Proof of Claim Filed by the Holder of such Claim, or if no Proof of Claim has been Filed, the Scheduled amount set forth for such Claim if it is shown on the Schedules as being noncontingent, liquidated, and undisputed, and (b) the estimated amount of such Claim for Distribution purposes, as determined by the Bankruptcy Court pursuant to Article 8.F of this Plan.

4. **General Provisions Governing All Reserves.** Each Reserve shall represent an allocation of Unencumbered Plan Trust Assets of the applicable Debtor's Estate consisting of Cash; provided, however, that the Plan Trust Operating Expense Reserve shall represent an allocation of Unencumbered Plan Trust Assets of TBW's Estate consisting of Cash. The Plan Trustee shall not be required to establish and fund any Reserve with a separate deposit or investment account into which is deposited Unencumbered Plan Trust Assets of the applicable Estate. The Plan Trustee may, but shall not be required to, request that the Bankruptcy Court estimate the value of any Claim for purposes of setting the amount of any Reserve. If at any time the Plan Trustee determines that the amount allocated to any Reserve is insufficient to satisfy all Claims for which it is established, the Plan Trustee may allocate additional amounts to it from other Reserves for the applicable Debtor's Estate or from Unencumbered Plan Trust Assets of such Debtor's Estate consisting of Cash, without further notice or motion. The Plan Trustee may also decrease the amount allocated to any Reserve for any Estate as the Plan Trustee determines is appropriate. If any Creditor asserts that more than one Debtor is liable for an Administrative Expense Claim, Priority Tax Claim, Priority Claim or Disputed Claim, the Plan Trustee may allocate to the Reserve it deems appropriate on account of only one such Claim. All amounts allocated to any Reserve following the payment or resolution of all Claims for which such Reserve was established shall be available for Distribution to other claimants of such Debtor's Estate pursuant to the terms of the Plan and the Plan Trust Agreement.

D. DISTRIBUTION CALCULATIONS

1. **Calculation of Net Distributable Assets.** The "Net Distributable Assets" of each Estate as of any date of determination shall be calculated as follows: the total gross Unencumbered Cash proceeds of the Plan Trust Assets allocated to such Estate as of such date, less, to the extent applicable, the Plan Trust Operating Expenses that are outstanding and have not been paid and amounts allocated to the Plan Trust Operating Expense Reserve for such Estate, less the Allowed Administrative Expense Claims, Allowed Priority Tax Claims, and Allowed Priority Non-Tax Claims that are outstanding and have not been paid and amounts allocated to the Administrative and Priority Claims Reserve for such Estate, and less the amounts allocated to the Disputed Claims Reserve for such Estate. For avoidance of doubt, the Trade Creditor Recovery does not constitute Cash proceeds of Plan Trust Assets and shall not constitute Unencumbered Cash.

2. **Calculation of Interim Distributions.** The Plan Trustee may make interim Distributions:

(a) from Net Distributable Assets allocated to any Debtor's Estate, to Holders of Allowed Unsecured Claims against such Debtor, calculated as of the date of the interim Distribution; and

(b) from amounts available for Distribution in respect of the FDIC GUC Claim, to Holders of Allowed Trade Claims up to the amount of the Trade Creditor Recovery, calculated as of the date of the interim Distribution.

E. PRIORITY OF DISTRIBUTIONS

Unencumbered Cash available for interim Distributions pursuant to this Plan shall, with respect to each Debtor's Estate and subject to the terms of this Plan and the Plan Trust Agreement, be paid or allocated to Reserves established by the Plan Trustee in the following order of priority:

First, to pay all outstanding Plan Trust Operating Expenses, and to allocate to the Plan Trust Operating Expense Reserve as provided for in Article 7.C.1 of this Plan;

Second, to pay all Holders of Allowed Administrative Expense Claims, Allowed Priority Tax Claims and Allowed Priority Claims against such Debtor's Estate, and to allocate to the Administrative and Priority Claims Reserve for such Debtor's Estate as provided for in Article 7.C.2 of this Plan; and

Third, to pay Net Distributable Assets to all Holders of Allowed Unsecured Claims against such Debtor's Estate in accordance with the Distribution Calculation in Article 7.D.2 above, and to allocate to the Disputed Claims Reserve for such Debtor's Estate as provided for in Article 7.C.3 of this Plan.

F. CALCULATION OF UNSECURED CLAIMS

1. **Payment in Full.** Any Allowed Unsecured Claim is paid in full under this Plan at such time as the Holder of such Allowed Unsecured Claim has been paid the Allowed amount of such Allowed Unsecured Claim plus interest thereon (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court); provided, however, that where a Creditor holds Allowed Unsecured Claims for which more than one Debtor is liable, whether jointly, as co-obligor, pursuant to a Guaranty or otherwise, such Creditor is not entitled to receive Distributions under this Plan in excess of the Allowed amount of such Claim plus interest thereon (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court), and the Creditor's Allowed Unsecured Claim for which more than one Debtor is liable shall be deemed paid in full at such time as the Creditor has been paid the Allowed amount of one such Allowed Unsecured Claim plus interest thereon (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court).

2. **Payment of Interest.** If, and only if, all Holders of Allowed Unsecured Claims against an applicable Debtor have been paid 100% of the amount of their Allowed Claims, such Holders shall be entitled to receive interest (calculated as of the Petition Date at a rate to be determined by the Bankruptcy Court) on account of such Allowed Claims, from any remaining proceeds realized from the liquidation or other disposition of Assets of such Debtor; provided, however, that with respect to Allowed Unsecured Claims for which more than one Debtor is liable, interest is payable on such Claims based on the Allowed amount of the joint liability fixed by such Claims.

3. **Payment in Full of Allowed Unsecured Claims for Which More Than One Debtor is Liable.** To the extent that a Holder of Allowed Unsecured Claims for which more than one Debtor is liable is paid 100% of the Allowed amount of the joint liability fixed by such Claims through interim Distributions, the Plan Trustee shall retain any further interim Distributions that would be made on account of such Claims as if only one Debtor were liable for such Claim until the Plan Trustee makes a final Distribution under this Plan. Prior to making a final Distribution under this Plan, the Plan Trustee shall determine (with respect to every Allowed Unsecured Claim for which more than one Debtor is liable that has been paid 100% of the Allowed amount of the joint liability fixed by such Claim) the amount of Distributions in respect of such Claim made on account of such Debtor's Estate. The Plan Trustee shall reallocate the excess Distributions, if any, that it has retained among the liable Estates in proportion to the amount of Distributions made to Claims from such Estates on account of such joint liability.

G. MANNER OF DISTRIBUTION

Notwithstanding any other provisions of this Plan or the Plan Trust Agreement providing for a Distribution or payment in Cash, at the option of the Plan Trustee, any Distributions under this Plan may be made either in Cash, by check drawn on a domestic bank, by wire transfer, or by ACH. Notwithstanding any other provisions of this Plan to the contrary, no payment of fractional cents will be made under this Plan. Any Cash Distributions or payments will be issued to Holders in whole cents (rounded to the nearest whole cent when and as necessary).

H. *DE MINIMIS* DISTRIBUTIONS

All *De Minimis* Distributions may be held by the Plan Trust for the benefit of the Holders of Allowed Claims entitled to *De Minimis* Distributions. When the aggregate amount of *De Minimis* Distributions held by the Plan Trust for the benefit of a Creditor exceeds $50.00, the Plan Trust may distribute such *De Minimis* Distributions to such Creditor. If, at the time that the final Distribution under this Plan is to be made, the *De Minimis* Distributions held by the Plan Trust for the benefit of a Creditor total less than $50.00, such funds shall be not distributed to such Creditor, but rather, shall constitute Plan Trust Assets and thus eligible to be to distributed to other Creditors.

I. DELIVERY OF DISTRIBUTIONS

Except as otherwise provided in this Plan, Distributions to Holders of Allowed Claims shall be made by the Debtors, if before the Effective Date, or the Plan Trustee, if on or after the Effective Date, (i) at the addresses set forth on any Proof of Claim Filed by such Holder (or at the last known addresses of such Holder if no motion requesting payment or Proof of Claim is Filed or the Debtors or the Plan Trustee have been notified in writing of a change of address), (ii) at the addresses set forth in any written notices of address changes Filed with the Bankruptcy Court and served on the Plan Trustee by such Holder after the date of any related Proof of Claim, or (iii) at the addresses reflected in the Schedules if no Proof of Claim has been Filed and no written notice of address change has been Filed by such Holder with the Bankruptcy Court and served on the Plan Trustee.

J. UNDELIVERABLE DISTRIBUTIONS

If any Distribution or other payment to the Holder of an Allowed Claim under this Plan is returned for lack of a current address for the Holder or otherwise, the Plan Trustee shall file with the Bankruptcy Court the name, if known, and last known address of the Holder and the reason for its inability to make payment. If, after the passage of 90 days, the Distribution or payment still cannot be made, the Plan Advisory Committee may elect either (i) that any further Distribution or payment to the Holder shall be distributed to the Holders of Allowed Claims in the appropriate Class or Classes or (ii) donated to a not-for-profit, non-religious organization approved by the Plan Advisory Committee. In either event, the Allowed Claim shall be deemed satisfied and released, with no recourse to the Plan Trust, the Plan Trustee or the Plan Trust Assets, to the same extent as if the Distribution or payment had been made to the Holder of the Allowed Claim.

K. SETOFFS AND RECOUPMENTS

The Debtors, if before the Effective Date, or the Plan Trustee, if on or after the Effective Date, may, to the extent permitted by §§ 502(h), 553, and 558 of the Bankruptcy Code or applicable non-bankruptcy law, but shall not be required to, set off against or recoup from any Claim on which payments are to be made pursuant to this Plan, any Causes of Action of any nature whatsoever that the Debtors, the Estates, the Creditors' Committee or the Plan Trust may have against the Holder of such Claim; provided, however, that neither the failure to effect such offset or recoupment nor the allowance of any Claim shall constitute a waiver or release by the Debtors, the Estates, the Creditors' Committee or the Plan Trust of any right of setoff or recoupment that the Debtors, the Creditors' Committee, the Plan Trust or the Estates may have against the Holder of such Claim, nor of any other Cause of Action.

L. DISTRIBUTIONS IN SATISFACTION; ALLOCATION

Except for the obligations expressly imposed by this Plan and the property and rights expressly retained under this Plan, if any, the Distributions and rights that are provided in this Plan shall be in complete satisfaction and release of all Claims against, liabilities in, Liens on, obligations of and Interests in the Plan Trust or the Plan Trust Assets, whether known or unknown, that arose or existed prior to the Effective Date. Distributions received in respect of Allowed Unsecured Claims will be allocated first to the principal amount of such Claims, with any excess allocated to unpaid accrued interest.

M. CANCELLATION OF NOTES, AGREEMENTS AND INTERESTS

1. As of the Effective Date, all notes, agreements and securities evidencing Claims or Interests and the rights thereunder of the Holders thereof shall, with respect to the Debtors, the Estates or the Plan Trust, be deemed canceled, null and void, and of no further force and effect, and the Holders thereof shall have no rights against the Debtors, the Estates or the Plan Trust, except the right to receive the Distributions provided for in this Plan.

2. From and after the Effective Date, the Plan Trust shall be deemed the sole capital stockholder, shareholder or managing member, as applicable, of each of the Debtors and

shall be vested with all the rights and powers exercisable by a sole capital stockholder, shareholder or managing member, as applicable, under the respective Debtor's governance documents and applicable law.

N. NO INTEREST ON CLAIMS

Unless otherwise specifically provided for in this Plan and except as set forth in Article 7 hereof, the Confirmation Order, or a postpetition agreement in writing between the Debtors and a Holder of a Claim and approved by an Order of the Bankruptcy Court, postpetition interest shall not accrue or be paid on any Claim, and no Holder of a Claim shall be entitled to interest accruing on or after the Petition Date on any Claim. In addition, and without limiting the foregoing or any other provision of the Plan, Confirmation Order or Plan Trust Agreement, interest shall not accrue on or be paid on any Disputed Claim in respect of the period from the Effective Date to the date a final Distribution is made when and if such Disputed Claim becomes an Allowed Claim.

O. WITHHOLDING TAXES

The Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date, shall be entitled to deduct any federal, state or local withholding taxes from any payments under this Plan. As a condition to making any Distribution under this Plan, the Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date, may require that the Holder of an Allowed Claim provide such Holder's taxpayer identification number and such other information and certification as may be deemed necessary for the Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date, to comply with applicable tax reporting and withholding laws. Failure of a Holder of any Allowed Claim to provide such Holder's taxpayer identification number and such other information and certification may result in forfeiture of such Holder's right to Distributions in respect of its Claim.

P. REPORTS

From the Effective Date until a Final Decree is entered, the Plan Trustee shall, within 30 days of the end of each fiscal quarter, file with the Court and submit to the U.S. Trustee quarterly reports setting forth all receipts and disbursements of the Plan Trust as required by the U.S. Trustee guidelines.

ARTICLE 8.

PROVISIONS FOR CLAIMS ADMINISTRATION AND DISPUTED CLAIMS

A. RESERVATION OF RIGHT TO OBJECT TO CLAIMS AND INTERESTS

Unless a Claim or Interest is expressly described as an Allowed Claim or Allowed Interest pursuant to or under this Plan, or otherwise becomes an Allowed Claim or Allowed Interest prior to the Effective Date, upon the Effective Date, the Plan Trustee shall be deemed to have a reservation of any and all rights, interests and objections of the Debtors,

the Creditors' Committee or the Estates to any and all Claims or Interests and motions or requests for payment. This reservation includes, without limitation, any and all rights, interests and objections to the validity or amount of any and all alleged Administrative Expense Claims, Priority Tax Claims, Priority Claims, Secured Claims, Unsecured Claims, Subordinated Claims, Interests, Liens and security interests, whether under the Bankruptcy Code, other applicable law or contract. The Plan Proponents' failure to object to any Claim or Interest in the Chapter 11 Cases shall be without prejudice to the Plan Trustee's rights to contest or otherwise defend against such Claim or Interest in the Bankruptcy Court when and if such Claim is sought to be enforced by the Holder of such Claim or Interest.

B. OBJECTIONS TO CLAIMS AND INTERESTS

Prior to the Effective Date, the Plan Proponents shall be responsible for pursuing any objection to the allowance of any Claim or Interest. From and after the Effective Date, the Plan Trustee shall retain responsibility for administering, disputing, objecting to, compromising, or otherwise resolving Claims and Interests and making Distributions, if any, with respect to all Claims and Interests (including those Claims or Interests that are subject to objection by the Debtors as of the Effective Date), subject to any approvals of the Plan Advisory Committee that may be required. Unless otherwise provided in this Plan or by Order of the Bankruptcy Court, any objections to Claims or Interests by the Plan Trustee shall be Filed and served on or before the later of (i) one year after the Effective Date, or (ii) 2 years after the Petition Date, provided that the Plan Trustee may request (and the Bankruptcy Court may grant) extensions of such deadline, or of any Bankruptcy Court approved extensions thereof, by Filing a motion with the Bankruptcy Court without any requirement to provide notice to any party, based upon a reasonable exercise of the Plan Trustee's business judgment. A motion seeking to extend the deadline to object to any Claim shall not be deemed an amendment to this Plan.

C. SERVICE OF OBJECTIONS

An objection to a Claim or Interest shall be deemed properly served on the Holder of such Claim or Interest if the Plan Trustee effects service by any of the following methods: (i) in accordance with Rule 4 of the Federal Rules of Civil Procedure, as modified and made applicable by Bankruptcy Rule 7004; (ii) to the extent counsel for such Holder is unknown, by first class mail, postage prepaid, on the signatory on the Proof of Claim or Interest or other representative identified on the Proof of Claim or Interest or any attachment thereto; or (iii) by first class mail, postage prepaid, on any counsel that has appeared on behalf of such Holder in the Chapter 11 Cases.

D. DETERMINATION OF CLAIMS

Except as otherwise agreed by the Plan Proponents or the Plan Trustee, any Claim as to which a Proof of Claim or motion or request for payment was timely Filed in the Chapter 11 Cases, or deemed timely Filed by Order of the Bankruptcy Court, may be adjudicated or otherwise liquidated pursuant to (i) an Order of the Bankruptcy Court, (ii) applicable bankruptcy law, (iii) agreement of the parties without the need for Bankruptcy Court

approval, (iv) applicable non-bankruptcy law, or (v) the lack of (a) an objection to such Claim, (b) an application to equitably subordinate such Claim or (c) an application to otherwise limit recovery with respect to such Claim, Filed by any of the Plan Proponents, the Plan Trustee, or any other party in interest on or prior to any applicable deadline for Filing such objection or application with respect to such Claim. Any such Claim so determined and liquidated shall be deemed to be an Allowed Claim for such liquidated amount and shall be satisfied in accordance with this Plan. Nothing contained in this Article 8 shall constitute or be deemed a waiver of any rights, interests, objections or Causes of Action that any of the Plan Proponents or the Plan Trustee may have against any Person in connection with or arising out of any Claim, including without limitation any rights under 28 U.S.C. § 157.

E. NO DISTRIBUTIONS ON DISPUTED CLAIMS PENDING ALLOWANCE

No payments or Distributions shall be made with respect to all or any portion of a Disputed Claim, including any Distribution of Assets securing such Disputed Claim or as to which there are competing claims of ownership, unless and until (i) all objections to such Disputed Claim have been settled or withdrawn or have been determined by a Final Order, (ii) the Disputed Claim has become an Allowed Claim, and (iii) all conflicting Lien or ownership rights in any Assets securing or evidencing such Allowed Claim have been settled or withdrawn or have been determined by a Final Order; provided, however, that in the event that (a) a portion of such Claim is an Allowed Claim, or (b) a portion of the Assets securing or evidencing any Claim is not subject of conflicting Claims of Lien or ownership rights, the Plan Trustee may, in his discretion, make a Distribution pursuant to the Plan on account of the portion of such Claim that is an Allowed Claim and the portion of such Assets as to which there are no conflicting Claims.

F. CLAIMS ESTIMATION FOR DISPUTED CLAIMS

In order to effectuate Distributions pursuant to this Plan and avoid undue delay in the administration of the Chapter 11 Cases, any of the Plan Proponents (if before the Effective Date) and the Plan Trustee (if on or after the Effective Date), after notice and a hearing (which notice may be limited to the Holder of such Disputed Claim), shall have the right to seek an Order of the Bankruptcy Court, pursuant to § 502(c) of the Bankruptcy Code, estimating or limiting the amount of (i) property that must be withheld from or reserved for Distribution purposes on account of any Disputed Claim, (ii) such Claim for Claim allowance or disallowance purposes, or (iii) such Claim for any other purpose permitted under the Bankruptcy Code; provided, however, that the Bankruptcy Court shall determine (i) whether such Claims are subject to estimation pursuant to § 502(c) of the Bankruptcy Code and (ii) the timing and procedures for such estimation proceedings, if any.

G. ALLOWANCE OF CLAIMS SUBJECT TO § 502 OF THE BANKRUPTCY CODE

Allowance of Claims shall be in all respects subject to the provisions of § 502 of the Bankruptcy Code, including without limitation subsections (b), (d), (e), (g), (h), and (i) thereof.

ARTICLE 9.

EXECUTORY CONTRACTS AND UNEXPIRED LEASES; EMPLOYEE BENEFIT PLANS

A. REJECTION OF UNASSUMED EXECUTORY CONTRACTS AND UNEXPIRED LEASES

On the Effective Date, except for any Executory Contract (i) that was previously assumed or rejected by an Order of the Bankruptcy Court or otherwise pursuant to § 365 of the Bankruptcy Code or (ii) that is subject to a pending motion to assume or reject before the Bankruptcy Court, each Executory Contract entered into by any of the Debtors prior to the Petition Date that has not previously expired or terminated pursuant to its own terms, shall be rejected pursuant to §§ 365 and 1123 of the Bankruptcy Code, effective as of the Confirmation Date. The Confirmation Order shall constitute an Order of the Bankruptcy Court approving such rejection pursuant to §§ 365 and 1123 of the Bankruptcy Code as of the Confirmation Date.

B. EMPLOYEE BENEFIT PLANS

Without limiting the generality of Article 9.A above, and for the avoidance of doubt, all employment and severance policies, and all compensation and benefit plans, policies, and programs of the Debtors applicable to their employees, retirees and non-employee directors and the employees and retirees of their subsidiaries, including all savings plans, retirement plans, pension plans, healthcare plans, disability plans, severance benefit plans, incentive plans, life and accidental death and dismemberment insurance plans, shall be deemed and treated as Executory Contracts that are rejected by the Debtors pursuant to the Plan and § 365 of the Bankruptcy Code as of the Effective Date.

C. REJECTION DAMAGES BAR DATE

Except to the extent that another Bar Date applies pursuant to an order of the Bankruptcy Court, any Proofs of Claim with respect to a Claim arising from the rejection of Executory Contracts under this Plan (including Claims under § 365(d)(3) of the Bankruptcy Code) must be Filed by (i) regular mail to BMC Group, Inc. Attn: Taylor Bean & Whitaker Mortgage Corp. Claims Processing, P.O. Box 3020, Chanhassen MN 55317-3020, or (ii) by hand, courier, or overnight delivery to BMC Group, Inc. Attn: Taylor, Bean & Whitaker Mortgage Corp., Claims Processing, 18750 Lake Drive East, Chanhassen, MN 55317, within 30 days after the Effective Date, or such Claim shall not be entitled to a Distribution and shall not be enforceable against the Debtors' Estates, the Plan Trust, the Plan Trustee, their successors, their assigns, or their Assets. Any Allowed Claim arising from the rejection of an Executory Contract shall be treated as a Claim in TBW Class 8, HAM Class 3 or REO Class 3 (General Unsecured Claims), as applicable. Nothing in this Plan extends or modifies any previously applicable Bar Date.

D. INSURANCE POLICIES

1. **Assumption or Rejection.** To the extent that any or all of the insurance policies described in the Plan Supplement (the "Designated Insurance Policies") are considered to be Executory Contracts, then notwithstanding anything contained in this Plan to the contrary, this Plan shall constitute a motion to assume the Designated Insurance Policies in connection with this Plan and to assign them to the Plan Trust. Subject to the occurrence of the Effective Date, the entry of the Confirmation Order shall constitute approval of such assumption and assignment pursuant to § 365(a) of the Bankruptcy Code and a finding by the Bankruptcy Court that each such assumption is in the best interest of the Debtors, the Estates, and all parties in interest in the Chapter 11 Cases. Unless otherwise determined by the Bankruptcy Court pursuant to a Final Order or agreed to by the parties thereto prior to the Effective Date, no payments are required to cure any defaults of the Debtors existing as of the Confirmation Date with respect to each Designated Insurance Policy. To the extent that the Bankruptcy Court determines otherwise with respect to any Designated Insurance Policy, the Debtors reserve the right to seek rejection of such insurance policy or other available relief. The Plan shall not affect contracts that have been assumed and assigned by Order of the Bankruptcy Court prior to the Confirmation Date.

2. **Vest as Plan Trust Assets.** For the avoidance of doubt, all rights under any Designated Insurance Policy that is not considered to be an Executory Contract, and all rights under any other insurance policies under which the Debtors may be beneficiaries (including the rights to make, amend, prosecute and benefit from claims), shall be preserved and shall vest in the Plan Trust pursuant to Article 6.F.1 hereof and § 1123(a)(5)(B) of the Bankruptcy Code.

ARTICLE 10.

EXCULPATIONS AND RELEASES

A. DEBTORS' EXCULPATION AND RELEASE OF CHAPTER 11 PROTECTED PARTIES

Except as otherwise specifically provided in this Plan, pursuant to § 1123(b)(3)of the Bankruptcy Code, as of the Effective Date, the Debtors and their Estates exculpate, release and discharge the following (collectively the "Chapter 11 Protected Parties"): (1) Neil F. Luria, Jeffery W. Cavender, Matthew E. Rubin, William Maloney and R. Bruce Layman, each of whom serves as a current officer or director of one or more of the Debtors, (2) TBW's Creditors' Committee, its members, and their respective directors, officers, employers, employees, and counsel, (3) Navigant, Stichter Riedel, Troutman Sanders, and Berger Singerman, and their respective officers, directors, partners, employees and equity holders. The exculpation, release and discharge by the Debtors and their Estates of the Chapter 11 Protected Parties is from any Claim, obligation, Cause of Action or liability, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law or in equity, which is based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Effective Date in any way relating

to the Chapter 11 Cases, except those resulting solely from such Person's gross negligence or willful misconduct, as adjudicated by a Final Order, and including but not limited to acts or omissions in connection with the commencement and administration of the Chapter 11 Cases, the Investigation, the sale of assets, the arranging for postpetition financing, the prosecution and defense of contested matters and adversary proceedings, the settlement of Claims and the disbursement of funds, the administration of TBW'S ESOP, and the promulgation of the Plan and solicitation of acceptances thereto (collectively the "Chapter 11 Released Claims"). The scope of the Debtors' exculpation, release and discharge includes Chapter 11 Released Claims that could have been asserted derivatively on behalf of the Debtors or their Estates, but does not include any Avoidance Action or any prepetition Claim, obligation, Cause of Action or liability based on money borrowed from or owed to the Debtors as set forth in the Debtors' books and records.

B. FURTHER EXCULPATION AND RELEASE OF CHAPTER 11 PROTECTED PARTIES

Except as otherwise specifically provided in this Plan, pursuant to § 1123(b)(3) of the Bankruptcy Code, as of the Effective Date, the Chapter 11 Protected Parties shall be exculpated, and released from all Chapter 11 Released Claims by each other, by any Holder of a Claim or Interest, by any party in interest, and by their respective agents, employees, successors and assigns. Without limiting the generality of the foregoing, each Chapter 11 Protected Party shall be entitled to and granted the protections and benefits of § 1125(e) of the Bankruptcy Code.

C. RELEASE OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

On and effective as of the Effective Date, (a) the Debtor, the Debtor's Estate, all of the Debtor's creditors, and any other parties in interest, each of their respective subsidiaries and affiliates and the predecessors, successors and assigns of any of them and any other Person that claims or might claim through, on behalf of or for the benefit of any of the foregoing, whether directly or derivatively, and (b) the Committee (collectively, the "Non-FDIC Releasors") shall be deemed to have irrevocably and unconditionally, fully, finally, and forever waived, released, acquitted and discharged the Federal Deposit Insurance Corporation in its capacity as receiver of Colonial Bank and in its corporate capacity, their respective past or present parent entities, subsidiaries, affiliates, directors, officers, employees, professionals and the predecessors, successors and assigns of any of these (collectively, the "FDIC Releasees") from any and all Claims, demands, rights, liabilities, or Causes of Action of any and every kind, character or nature whatsoever, in law or in equity, known or unknown, whether asserted or unasserted, which the Non-FDIC Releasors, or any of them, or anyone claiming through them, on their behalf or for their benefit, have or may have or claim to have, now or in the future, against any FDIC Releasee (i) that are released or deemed to be released pursuant to the Plan, (ii) any and all Claims that arise in, relate to or have been or could have been asserted in the Chapter 11 Case, the FDIC Stipulation, the Motion for Relief from the Automatic Stay Pursuant to § 362, filed by FDIC in the Chapter 11 Case on August 28, 2009 (the "Stay Relief Motion"), the Emergency Motion for Turnover, Approval of Procedures for the Maintenance and Use

of Borrower Payments, and Immediate Resolution of Related Issues, filed by the Debtor in the Chapter 11 Case on August 31, 2009 (the "Turnover Motion" and together with the Stay Relief Motion, the "Actions"), the Plan and the negotiations and compromises set forth in the FDIC Settlement Agreement and the Plan, or otherwise that are based upon, related to, or arise out of or in connection with the Actions or any Claim, act, fact, transaction, occurrence, statement, or omission in connection with or alleged or that could have been alleged in the Actions, including, without limitation, any such Claim, demand, right, liability, or Cause of Action for indemnification, contribution, or any other basis in law or equity for damages, costs or fees incurred by the Non-FDIC Releasors arising directly or indirectly from or otherwise relating to the Actions (collectively, the "FDIC Released Claims"). Notwithstanding anything in this Article 10.C to the contrary, (A) the foregoing is not intended to release, nor shall it have the effect of releasing, the FDIC Releasees from the performance of their obligations in accordance with the FDIC Settlement Agreement or the FDIC Stipulation, (B) each Non-FDIC Releasor shall retain the right to assert any and all FDIC Released Claims by way of setoff, contribution, contributory or comparative fault or in any other defensive manner in the event that such Non-FDIC Releasor is sued on any FDIC Released Claim by an FDIC Releasee or any other Person (but solely as a defense against the Claims of such Person and not for purposes of obtaining an affirmative recovery for the benefit of the Non-FDIC Releasor) and such FDIC Released Claim shall be determined in connection with any such litigation as if the provisions of this Article 10.C were not effective, (C) the foregoing is not intended to release, nor shall it have the effect of releasing, the FDIC Releasees from matters related to Platinum Community Bank, including, without limitation, issues associated with Platinum bank accounts and the Platinum related loans service released after September 4, 2009, (D) the foregoing is not intended to release, nor shall it have the effect of releasing, any releasee or any Person of Claims that may be held or asserted by the Federal Deposit Insurance Corporation in any capacity (including, without limitation, as regulator or as receiver for any failed depository institution other than the Debtor), to the extent that any such Claims are unrelated to the Debtor, its Chapter 11 Case, the Debtor Released Claims (defined below) or the FDIC Released Claims, and (E) the foregoing release is not intended to release, nor shall it have the effect of releasing, any claims filed in the FDIC receivership of Colonial Bank. Notwithstanding anything herein to the contrary, the term FDIC Releasee shall not include, and the release contemplated hereby shall not release, the Federal Deposit Insurance Corporation in its capacity as a receiver of, or in connection with its oversight of, any financial institution other than Colonial Bank.

D. RELEASE BY THE FEDERAL DEPOSIT INSURANCE CORPORATION

On and effective as of the Effective Date, the FDIC in its capacity as Receiver of Colonial Bank and its subsidiaries and affiliates and the predecessors, successors and assigns of any of them and any other person that claims or might claim through, on behalf of or for the benefit of any of the foregoing, whether directly or derivatively (collectively, the "FDIC Releasors"), shall be deemed to have irrevocably and unconditionally, fully, finally, and forever waived, released, acquitted and discharged the Debtor, the Debtor's Estate, the Debtor's current directors, officers, employees and professionals, the Creditors' Committee, and the Creditors' Committee's professionals (collectively, the "Debtor Releasees") from any and all Claims, demands, rights, liabilities, or causes of action of any

and every kind, character or nature whatsoever, in law or in equity, known or unknown, whether asserted or unasserted, which the FDIC Releasors or any of them, or anyone claiming through them, on their behalf or for their benefit have or may have or claim to have, now or in the future, against any Debtor Releasee (i) that are released or deemed to be released pursuant to the Plan, (ii) any and all Claims that arise in, relate to or have been or could have been asserted in the Chapter 11 Case, the FDIC Stipulation, the Actions, the Plan and the negotiations and compromises set forth in the FDIC Settlement Agreement and the Plan, or otherwise are based upon, related to, or arise out of or in connection with any of the Debtor's assets or any assets to be received by the Debtor as provided in the FDIC Settlement Agreement, or otherwise are based upon, related to, or arise out of or in connection with the Actions or any Claim, act, fact, transaction, occurrence, statement or omission in connection with, or alleged or that could have been alleged in the Actions, including, without limitation, any such Claim, demand, right, liability, or cause of action for indemnification, contribution, or any other basis in law or equity for damages, costs or fees incurred by the FDIC Releasors arising directly or indirectly from or otherwise relating to the Actions (collectively, the "Debtor Released Claims"). Notwithstanding anything contained in this Article 10.D or elsewhere to the contrary, (i) the foregoing is not intended to release, nor shall it have the effect of releasing, (a) the Debtor Releasees from the performance of their obligations in accordance with the FDIC Settlement Agreement, (b) any Claims against any former (*i.e.*, not current) officers, directors, employees, agents, fiduciaries, subsidiaries, accountants, auditors, attorneys, appraisers, joint tortfeasors, or contractors of TBW, including without limitation Lee Farkas, Desiree Brown, Paul Allen, Delton DeArmas, or their insurers, based upon alleged conduct that caused the damages set forth in the FDIC Proof of Claim, (c) any Claims against Bank of America, N.A., and Bank of America, N.A., as successor by merger to LaSalle Bank, N.A. and LaSalle Global Trust Services, Ocala Funding, LLC, any Person to which TBW or any of its employees, officers, directors, or subsidiaries transferred any asset or interest in any asset, or their insurers, (d) any Claims or prospective Claims which may be asserted by an insurer of Colonial Bank, including without limitation Federal Insurance Company, by way of subrogation or assignment pursuant to any insurance policy or financial institution bond, including those Claims arising out of conduct described in the Proof of Loss submitted to Federal Insurance Company on February 1, 2010 or (e) any Claims described in Section 1.3(b)(i) of the FDIC Settlement Agreement. Further, notwithstanding anything contained in this Article 10.D or elsewhere to the contrary, (ii) each FDIC Releasor shall retain the right to assert any and all Debtor Released Claims by way of setoff, contribution, contributory or comparative fault or in any other defensive manner in the event that such FDIC Releasor is sued on any Debtor Released Claim by a Debtor Releasee or any other Person (but solely as a defense against the Claims of such Person and not for purposes of obtaining an affirmative recovery for the benefit of the FDIC Releasor) and such Debtor Released Claim shall be determined in connection with any such litigation as if the provisions of this Article 10.D were not effective.

E. LIMITATION ON RELEASE

Except as provided in Articles 10.A, 10.B, and 10.C. above, no provision of this Plan, the Disclosure Statement, or the Confirmation Order shall be deemed to act upon or release any Causes of Action or any rights to payment that the Plan Trust, the Estates, or

any party in interest may have against any Person for any act, omission, or failure to act that occurred prior to the Petition Date other than the Chapter 11 Released Claims.

ARTICLE 11.

EFFECT OF CONFIRMATION AND INJUNCTION

A. PLAN INJUNCTION

Except as otherwise expressly provided in this Plan, the documents executed pursuant to this Plan, or the Confirmation Order, on and after the Effective Date, all Persons who have held, currently hold, or may hold Claims against or Interests in the Debtors or the Estates that arose prior to the Effective Date (including all Governmental Authorities) shall be permanently enjoined from, on account of such Claims or Interests, taking any of the following actions, either directly or indirectly, against or with respect to any Debtor, any Estate, any Chapter 11 Protected Party, any Plan Trust Exculpated Party, or the Plan Trust, or any of their respective properties: (i) commencing or continuing in any manner any action or other proceeding of any kind; (ii) enforcing, executing, collecting, or recovering in any manner any judgment, award, decree, or order, or attaching any property pursuant to the foregoing; (iii) creating, perfecting, or enforcing any Lien or encumbrance of any kind; (iv) asserting or effecting any setoff, recoupment, or right of subrogation of any kind against any Claim or Cause of Action; (v) enjoining or invalidating any foreclosure or other conveyance of a Plan Trust Asset or Asset of any Debtor; and (vi) taking any act, in any manner, in any place whatsoever, that does not conform to, comply with, or that is inconsistent with any provision of this Plan. Any Person injured by any willful violation of such injunction may recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages from the willful violator. This injunction shall not enjoin or prohibit (i) the Holder of a Disputed Claim from litigating its right to seek to have such Disputed Claim declared an Allowed Claim and paid in accordance with the Distribution provisions of this Plan or (ii) any party at interest from seeking the interpretation or enforcement of any of the obligations of the Debtors, the Plan Trustee, or the Plan Trust under this Plan. The Confirmation Order also shall constitute an injunction enjoining any Person from enforcing or attempting to enforce any Claim or cause of action against any Debtor, any Estate, any Chapter 11 Protected Party, any Plan Trust Exculpated Party, or the Plan Trust, or any of their respective properties, based on, arising from or related to any failure to pay, or make provision for payment of, any amount payable with respect to any Priority Tax Claim on which the payments due under this Plan have been made or are not yet due.

B. CONTINUATION OF EXISTING INJUNCTIONS AND STAYS

Unless otherwise provided herein or in the Confirmation Order, all injunctions or stays provided for in the Chapter 11 Cases under §§ 105 or 362 of the Bankruptcy Code, this Plan, by Orders of the Bankruptcy Court, or otherwise, and extant on the Confirmation Date, shall

remain in full force and effect until the later of (i) entry of the Final Decree or (ii) the dissolution of the Plan Trust.

C. BINDING EFFECT OF PLAN

Except as otherwise provided in § 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, subject to the occurrence of the Effective Date, the provisions of this Plan shall bind any Holder of a Claim against, or Interest in, the Debtors, the Estates and their respective successors or assigns, whether or not the Claim or Interest of such Holder is impaired under this Plan, whether or not such Holder has accepted this Plan and whether or not the Holder has Filed a Claim. The rights, benefits and obligations of any Person named or referred to in this Plan, whose actions may be required to effectuate the terms of this Plan, shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor or assign of such Person (including, without limitation, any trustee appointed for the Debtors under chapters 7 or 11 of the Bankruptcy Code).

D. NO EFFECT ON OBJECTIONS TO FEE APPLICATIONS

Except as provided in Article 3.A.3(ii) hereof, nothing contained in this Plan shall affect the rights of parties in interest to object to Fee Applications or the power of the Bankruptcy Court to issue Orders with respect to Fee Applications.

ARTICLE 12.

CONDITIONS PRECEDENT

A. CONDITIONS PRECEDENT TO EFFECTIVE DATE

This Plan shall not become effective unless and until each of the following conditions shall have been satisfied in full in accordance with the provisions specified below:

1. **Approval of Disclosure Statement.** The Bankruptcy Court shall have approved a disclosure statement pertaining to this Plan in form and substance acceptable to the Plan Proponents.

2. **Approval of Plan Compromises.** The compromises and settlements contained in this Plan shall be approved without material modification by a Final Order in accordance with Bankruptcy Rule 9019 and shall be binding and enforceable against all Holders of Claims and Interests under the terms of this Plan.

3. **Form of Confirmation Order.** The Confirmation Order shall be in form and substance acceptable to the Plan Proponents.

4. **Entry of Confirmation Order.** (a) The Confirmation Order (i) shall have been entered by the Bankruptcy Court, (ii) shall not be subject to any stay of effectiveness, and (iii) shall have become a Final Order, (b) the Confirmation Date shall have occurred, and (c) no

request for revocation of the Confirmation Order under § 1144 of the Bankruptcy Code shall have been made, or, if made, shall remain pending.

5. **Plan Trust.** The Plan Trust shall have been formed, and all formation documents for the Plan Trust shall have been properly executed and Filed as required by this Plan and applicable law.

6. **Plan Trustee and Plan Advisory Committee.** The appointment of the Plan Trustee and the formation of the Plan Advisory Committee shall have been approved in the Confirmation Order.

B. REVOCATION, WITHDRAWAL, OR NON-CONSUMMATION OF PLAN

If, after the Confirmation Order is entered, each of the conditions to effectiveness cannot be satisfied or has not been waived by the Plan Proponents, then upon motion by the Plan Proponents, the Confirmation Order may be vacated by the Bankruptcy Court; provided, however, that notwithstanding the Filing of such a motion, the Confirmation Order shall not be vacated if each of the conditions to effectiveness is either satisfied or duly waived before the Bankruptcy Court enters an Order granting the relief requested in such motion. As used in the preceding sentence, a condition to effectiveness may be waived only by a writing executed by the Plan Proponents. If the Confirmation Order is vacated pursuant to this Article 12.B, this Plan shall be null and void in all respects, and nothing contained in this Plan, the Disclosure Statement, or any pleadings Filed in connection with the approval thereof shall (i) constitute a waiver or release of any Claims against or Interests in the Debtors, (ii) prejudice in any manner the rights of the Holder of any Claim against or Interest in the Debtors, (iii) prejudice in any manner the rights of the Debtors or the Creditors' Committee in the Chapter 11 Cases, or (iv) constitute an admission of any fact or legal position or a waiver of any legal rights held by any party prior to the Confirmation Date.

ARTICLE 13.

ADMINISTRATIVE PROVISIONS

A. RETENTION OF JURISDICTION

Pursuant to §§ 105, 1123(a)(5), and 1142(b) of the Bankruptcy Code, on and after the Confirmation Date, the Bankruptcy Court shall retain jurisdiction to the fullest extent permitted by 28 U.S.C. §§ 1334 and 157, including jurisdiction for the following purposes: (i) to hear and determine the Chapter 11 Cases and all core proceedings arising under the Bankruptcy Code or arising in the Chapter 11 Cases, including, without limitation, matters concerning the interpretation, implementation, consummation, execution, or administration of the Plan, the Plan Trust Agreement or the Confirmation Order, and (ii) to hear and make proposed findings of fact and conclusions of law in any non-core proceedings related to the Chapter 11 Cases. Without limiting the generality of the foregoing, the Bankruptcy Court's post-Confirmation Date jurisdiction shall include jurisdiction:

1. over all Causes of Action (including, without limitation, Avoidance Actions) and proceedings to recover Assets of the Estates or of the Plan Trust, wherever located;

2. over motions to assume, reject, or assume and assign executory contracts or unexpired leases, and the allowance or disallowance of any Claims resulting therefrom;

3. over disputes concerning the ownership of Claims or Interests;

4. over disputes concerning any Distribution under this Plan;

5. over objections to Claims, motions to allow late-Filed Claims, and motions to estimate Claims;

6. over proceedings to determine the validity, priority or extent of any Lien asserted against property of the Debtors, the Estates, or the Plan Trust, or property abandoned or transferred by the Debtors, the Estates, or the Plan Trustee;

7. over proceedings to determine the amount, if any, of interest to be paid to Holders of Allowed Unsecured Claims, if any Allowed Unsecured Claims are paid in full pursuant to the terms of this Plan;

8. over matters related to the assets of the Estates or of the Plan Trust, including, without limitation, liquidation of Plan Trust Assets; provided, however, that subject to the terms of the Plan Trust Agreement and any requisite approval of the Plan Advisory Committee, the Plan Trustee shall have no obligation to obtain the approval or authorization of the Bankruptcy Court or file a report to the Bankruptcy Court concerning the sale, transfer, assignment or other disposition of Plan Trust Assets; and provided, further, that the Plan Trustee may seek Orders of the Bankruptcy Court approving the sale, transfer, assignment or other disposition of Plan Trust Assets as appropriate to facilitate such transactions;

9. over matters relating to the subordination of Claims or Interests;

10. to enter and implement such Orders as may be necessary or appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

11. to consider and approve modifications of or amendments to this Plan, to cure any defects or omissions, or to reconcile any inconsistencies in any Order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

12. to issue Orders in aid of execution, implementation, or consummation of this Plan;

13. over disputes arising from or relating to the Plan, the Confirmation Order, or any agreements, documents, or instruments executed in connection therewith;

14. over requests for allowance or payment of Claims entitled to priority under § 507(a)(2) of the Bankruptcy Code and any objections thereto;

15. over all Fee Applications;

16. over matters concerning state, local or federal taxes in accordance with §§ 346, 505, and 1146 of the Bankruptcy Code;

17. over conflicts and disputes between the Plan Trustee, the Plan Trust, the Plan Advisory Committee, and Holders of Claims or Interests;

18. over disputes concerning the existence, nature or scope of a Debtor's liability, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

19. over matters concerning the Debtors' insurance policies, if any, including jurisdiction to re-impose the automatic stay or its applicable equivalent provided in this Plan;

20. to issue injunctions, provide declaratory relief, or grant such other legal or equitable relief as may be necessary or appropriate to restrain interference with this Plan, the Debtors, the Estates or their property, the Creditors' Committee, the Plan Trust or its property, the Plan Trustee, the Plan Advisory Committee, any Professional, or the Confirmation Order;

21. to enter a Final Decree closing the Chapter 11 Cases;

22. to enforce all Orders previously entered by the Bankruptcy Court; and

23. over any and all other suits, adversary proceedings, motions, applications, and contested matters that may be commenced or maintained pursuant to the Chapter 11 Cases or this Plan.

B. GENERAL AUTHORITY

The Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date, shall execute such documents, and take such other actions, as are necessary to effectuate the transactions provided for in this Plan.

C. FINAL ORDER

Except as otherwise expressly provided in this Plan, any requirement in this Plan for a Final Order may be waived by the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if after the Effective Date) upon written notice to the Bankruptcy Court. No such waiver shall prejudice the right of any party in interest to seek a stay pending appeal of any order that is not a Final Order.

D. AMENDMENTS AND MODIFICATIONS

The Plan Proponents may modify this Plan at any time prior to the Confirmation Hearing in accordance with § 1127(a) of the Bankruptcy Code. After the Confirmation Date and prior to "substantial consummation" (as such term is defined in § 1101(2) of the Bankruptcy Code) of this Plan with respect to any Debtor, the Plan Proponents or the proposed Plan Trustee, as appropriate, may modify this Plan in accordance with § 1127(b) of the Bankruptcy Code by Filing a motion on notice to only the Persons listed on the service list established by the Bankruptcy Court pursuant to Bankruptcy Rule 2002, and the solicitation of all Creditors and other parties in interest shall not be required unless directed by the Bankruptcy Court.

E. PAYMENT DATE

Whenever any Distribution or payment to be made under this Plan shall be due on a day other than a Business Day, such Distribution or payment shall instead be made, without interest, on the immediately following Business Day.

F. WITHHOLDING AND REPORTING REQUIREMENTS

In connection with this Plan and all instruments issued in connection therewith and Distributions thereon, the Debtors (if before the Effective Date) or the Plan Trustee (if on or after the Effective Date) shall comply with all withholding and reporting requirements imposed by any federal, state, local or foreign taxing authority.

G. NO WAIVER

The failure of the Plan Proponents or any other Person to object to any Claim for purposes of voting shall not be deemed a waiver of the Debtors' or the Plan Trust's right to object to or examine such Claim, in whole or in part.

H. TAX EXEMPTION

Pursuant to § 1146 of the Bankruptcy Code, the issuance, transfer or exchange of any security, or the execution, delivery or recording of an instrument of transfer on or after the Confirmation Date shall be deemed to be made pursuant to and under this Plan, including, without limitation, any such acts by the Debtors, if before the Effective Date, and the Plan Trustee, if on or after the Effective Date (including, without limitation, any subsequent transfers of property by the Plan Trust or the Plan Trustee), and shall not be taxed under any law imposing a stamp tax, transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar official for any county, city or governmental authority in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order and the Plan, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp tax, transfer tax, intangible tax or similar tax.

I. NON-SEVERABILITY

Except as specifically provided herein, the terms of this Plan constitute interrelated compromises and are not severable, and no provision of those Articles may be stricken, altered, or invalidated, except by amendment of the Plan by the Plan Proponents.

J. REVOCATION

The Plan Proponents reserve the right to revoke and withdraw this Plan prior to the Confirmation Date in whole or in part as to any one or more of the Debtors. Without limiting the foregoing, if the Plan Proponents withdraw this Plan as to either Debtor/REO Specialists or Debtor/HAM, then TBW and any remaining co-Debtor, with the consent of the Creditors' Committee, may proceed to seek confirmation of the Plan as to them. If the Plan is revoked or withdrawn for all the Debtors, this Plan shall be null and void. If the Plan is null and void as to any or all of the Debtors, nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Debtors, the Creditors' Committee, or any other Person or to prejudice in any manner the rights of the Debtors, the Creditors' Committee, or any other Person in any further proceedings involving the Debtors, or be deemed an admission by the Debtors or the Creditors' Committee, including with respect to the amount or allowability of any Claim or the value of any property of the Estates.

K. CONTROLLING DOCUMENTS

1. In the event and to the extent that any provision of this Plan or the Plan Trust Agreement is inconsistent with any provision of the Disclosure Statement, the provisions of this Plan or Plan Trust Agreement, as applicable, shall control and take precedence. In the event and to the extent that any provision of this Plan is inconsistent with any provision of the Plan Trust Agreement (including any amendments thereto), the Plan Trust Agreement shall control and take precedence. In the event and to the extent that any provision of the Confirmation Order is inconsistent with any provision of this Plan or the Plan Trust Agreement, the provisions of the Confirmation Order shall control and take precedence.

2. In the event and to the extent that any provision of this Plan or the FDIC Settlement Agreement is inconsistent with any provision of the Disclosure Statement, the provisions of this Plan or the FDIC Settlement Agreement, as applicable, shall control and take precedence. In the event and to the extent that any provision of this Plan is inconsistent with any provision of the FDIC Settlement Agreement, the FDIC Settlement Agreement shall control and take precedence. In the event and to the extent that any provision of the Confirmation Order is inconsistent with any provision of this Plan or the FDIC Settlement Agreement, the provisions of the Confirmation Order shall control and take precedence.

L. GOVERNING LAW

Except to the extent that a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and the Bankruptcy Rules) or unless specifically stated, the rights, duties, and obligations arising under this Plan, any agreements, documents, and instruments executed

in connection with this Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreements shall control) and, with respect to the Debtors' corporate governance matters shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without giving effect to conflicts of law principles.

M. NOTICES

Any notices to or requests of the Debtors, the Creditors' Committee or the Plan Trust by parties in interest under or in connection with the Plan shall be in writing and served either by (i) certified mail, return receipt requested, postage prepaid, (ii) hand delivery, or (iii) reputable overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

If to the Debtors:

Stichter, Riedel, Blain & Prosser, P.A.
110 East Madison Street
Suite 200
Tampa, FL 33602
Telephone (813) 229-0144
Attn: Russell M. Blain
Edward J. Peterson

- and

Troutman Sanders LLP
600 Peachtree Street
Suite 5200
Atlanta, GA 30308
Telephone (404) 885-3000
Attn: Jeffrey W. Kelley
J. David Dantzler, Jr.

If to the Creditors' Committee:

Berger Singerman, P.A.
200 S. Biscayne Boulevard
Suite 1000
Miami, FL 33131
(305) 714-4343
Attn: Paul Steven Singerman

- and

350 East Las Olas Boulevard
Suite 1000
Fort Lauderdale, FL 33301
(954) 627-9901
Attn: James L. Berger

If to the Plan Trust or the Plan Trustee:

Neil F. Luria.
Navigant Capital Advisors LLC
15900 South Park Boulevard
Cleveland, Ohio 44120

N. FILING OF ADDITIONAL DOCUMENTS

On or before "substantial consummation" (as such term is defined in § 1101(2) of the Bankruptcy Code) of this Plan, the Plan Proponents may File with the Bankruptcy Court such agreements or other documents as may be necessary or appropriate to further evidence the terms and conditions of this Plan.

O. DIRECTION TO A PARTY

From and after the Effective Date, the Plan Proponents or the Plan Trustee may apply to the Bankruptcy Court for entry of an Order directing any Person to execute or deliver or to join in the execution or delivery of any instrument or document reasonably necessary or reasonably appropriate to effect a transfer of properties dealt with by this Plan, and to perform any other act (including satisfaction of any Lien or security interest) that is reasonably necessary or reasonably appropriate for the consummation of this Plan.

P. SUCCESSORS AND ASSIGNS

The rights, benefits, duties, and obligations of any Person named or referred to in this Plan, including all Creditors, shall be binding on, and shall inure to the benefit of, the successors and assigns of such Person.

Q. FINAL DECREE

Once any of the Estates has been fully administered, as referred to in Bankruptcy Rule 3022, the Plan Trust or another party, as the Bankruptcy Court shall designate in the Confirmation Order, shall file a motion with the Bankruptcy Court to obtain a Final Decree to close the Chapter 11 Case of the applicable Debtor(s).

ARTICLE 14.

CONFIRMATION REQUEST

The Plan Proponents hereby request confirmation of this Plan as a Cramdown Plan with respect to any Impaired Class that does not accept this Plan or is deemed to have rejected this Plan. If confirmation in the case of REO Specialists and Home America Mortgage or both is denied, confirmation is requested with respect to TBW and any Debtor as to which confirmation is not denied.

ARTICLE 15.

BANKRUPTCY RULE 9019 REQUEST

Pursuant to Bankruptcy Rule 9019, the Debtors hereby request approval of all compromises and settlements included in this Plan.

Dated: September ___, 2010

[Signatures on following page]

Respectfully submitted,

TAYLOR, BEAN & WHITAKER MORTGAGE CORP.
REO SPECIALIST, LLC
HOME AMERICA MORTGAGE, INC.

By: /s/ Neil F. Luria
Neil F. Luria
Chief Restructuring Officer

OFFICIAL COMMITTEE OF UNSECURED CREDITORS

By: /s/ Sheryl L. Newman
Sheryl L. Newman
Chairperson

/s/ Jeffrey W. Kelley
Jeffrey W. Kelley (GA Bar No. 412296)
jeff.kelley@troutmansanders.com
J. David Dantzler, Jr. (GA Bar No. 205125)
david.dantzler@troutmansanders.com
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COUNSEL FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TAYLOR, BEAN & WHITAKER MORTGAGE CORP.

DEFINITIONS ANNEX

The following terms used in the Joint Plan of Liquidation of the Debtors and the Official Committee of Unsecured Creditors (defined below as the "Plan") and the accompanying Disclosure Statement (defined below as the "Disclosure Statement") shall have the meanings set forth below. Each term used in the Plan or the Disclosure Statement and not defined herein shall have the meaning given to such term in the Bankruptcy Code.

"ACH" means an automated clearing house transfer from a domestic bank.

"Administrative and Priority Claims Reserve" means the reserve established in accordance with Article 7.B.2 of the Plan for the payment of Administrative Expense Claims, Priority Tax Claims, and Priority Claims, which reserve may be augmented by the Plan Trustee as set forth in the Plan and the Plan Trust Agreement.

"Administrative Expense Claim" means a Claim for costs and expenses of administration that is allowable and entitled to priority under §§ 503, 507(a)(2) and/or 507(b) of the Bankruptcy Code, including, without limitation, any post-petition tax claims, any actual and necessary expenses of preserving the Estate of any of the Debtors, any actual and necessary expenses of operating the business of any of the Debtors, all Professional Claims, and any fees or charges assessed against the Estate of any of the Debtors under 28 U.S.C. § 1930.

"Administrative Expense Claim Bar Date" means the date or dates fixed by the Bankruptcy Court as the last date for filing a request for payment of an Administrative Expense Claim (excluding any Professional Claim), as set forth in Article 3.A.2 of the Plan, that is not subject to any other Bar Date Orders or any other Order that establishes the last date for filing such Administrative Expense Claim. The Plan does not affect or extend any Administrative Expense Claim deadline established by any other Order and the earliest Administrative Expense Claim deadline applicable to any Administrative Expense Claim shall govern and control.

"Administrative Expense Claim Objection Deadline" shall mean ninety (90) days after the Administrative Expense Claim Bar Date, or as extended pursuant to Article 3.A.2(b) of the Plan.

"Administrative Freeze" means the freeze put on all of TBW's accounts on or about August 5, 2009, in which Colonial refused to honor checks, receive wire transfers, or permit disbursements.

"Advance" means any P&I Advance, T&I Advance or Corporate Advance.

"Affiliate" means any Person that is an "affiliate" of any of the Debtors within the meaning of § 101(2) of the Bankruptcy Code.

"Allowed" when used with respect to a Claim against a Debtor or property of a Debtor, means a Claim: (a) which has been listed on the Schedules of any of the Debtors as other than disputed, contingent or unliquidated and as to which no Proof of Claim or objection has been

timely filed; (b) as to which a Proof of Claim has been timely filed, or deemed timely filed by Order of the Bankruptcy Court, and either (i) no objection thereto has been timely filed, or application to subordinate or otherwise limit recovery has been made or (ii) the Claim has been allowed (but only to the extent allowed) by a Final Order of the Bankruptcy Court; (c) which has been allowed under the provisions of the Plan; (d) which is a Professional Claim for which a fee award amount has been approved by Final Order of the Bankruptcy Court; or (e) which is allowed pursuant to any stipulation of amount and nature of Claim executed by the Plan Trustee and Holder of the Claim on or after the Effective Date. To the extent the term "Allowed" is used in the Plan with respect to a specified Class of Claims or an unclassified category of Claims (*i.e.*, "Allowed [Class designation/unclassified Claim category] Claim"), the resulting phrase shall mean an Allowed Claim of the specified Class or unclassified category of Claims.

"**AOT/Cole Taylor Facility**" means the mortgage loan participation facility in which Colonial purchased participation interests on behalf of and as agent for Cole Taylor Bank, and evidenced by the Mortgage Loan Participation Sale Agreement (AOT Program – Agency Securities) dated as of July 30, 2009 among TBW, as Seller, and Colonial and Cole Taylor Bank, as Purchasers, and Colonial, as Administrative Agent and Custodian.

"**AOT Documents**" means (i) the Mortgage Loan Participation Sale Agreement (AOT Program – Agency Securities) dated as of April 1, 2007 between TBW, as Seller, and Colonial, as Purchaser (used for take-out buyers and banks or private securities dealers) and (ii) the Mortgage Loan Participation Sale Agreement (AOT Program – Whole Loan Trades and Private Issue Securities) dated as of April 1, 2007 between TBW, as Seller, and Colonial, as Purchaser (used for take-out buyers and banks or private securities dealers), and all transaction documents related thereto.

"**AOT Facility**" means the financing facilities established under the AOT Documents, which was documented as a loan participation facility but in practice operated as a secured line of credit.

"**AOT Loans**" means the residential mortgage loans that are assigned to the AOT Facility and are listed on Exhibit F to the FDIC Settlement Agreement.

"**AOT REO**" means the REO related to the AOT Facility and listed on Exhibit J to the FDIC Settlement Agreement.

"**AOT Reserve**" means a $10 million reserve established under the FDIC Settlement Agreement to fund Corporate Advances, fees and costs related to the AOT Loans, as reduced from time to time to reflect reductions in the UPB on the AOT Loans.

"**AOT/USAmeriBank Facility**" means the mortgage loan participation facility in which Colonial purchased participation interests on behalf of and as agent for USAmeriBank, and evidenced by the Mortgage Loan Participation Sale Agreement (AOT Program – Agency Securities) dated as of June 30, 2009 among TBW, as Seller, and Colonial and USAmeriBank, as Purchasers, and Colonial, as Administrative Agent and Custodian.

"Asset Reconciliation" means that certain reconciliation performed by the Debtor in accordance with the terms of the FDIC Stipulation relating to competing claims of ownership with respect to certain mortgage loans, as more particularly described in the Reconciliation Report.

"**Assets**" means with respect to any Debtor, collectively, any and all property of such Debtor or its Estates, of every kind and character, wherever located, whether real or personal, tangible or intangible, and including, without limitation: (i) Cash (including, without limitation, the residual balance of any reserves established under the Plan), (ii) Causes of Action (including, without limitation Avoidance Actions and Designated Causes of Action), (iii) stock membership, partnership, or beneficial interests in such Debtor or any non-Debtor entity, (iv) mortgage loans and servicing rights, (v) mortgage-backed securities and any residual interest therein, or any securitization trust issuing such securities, and (vii) all files, books, and records relating to such Debtor's business, the Plan Trust, or the administration of the Plan, including without limitation, the product of any analysis or investigation by such Debtor or the Creditors Committee. Unless the context otherwise requires, all references to Assets means the Assets of the Debtors, collectively.

"Avoidance Action" means all Claims and Causes of Action arising or brought under §§ 522, 541, 542, 543, 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code.

"Ballot" means a ballot for acceptance or rejection of the Plan for Holders of Impaired Claims entitled to vote to accept or reject the Plan.

"Bank of America" means Bank of America, N.A.

"**Bank of America Securities**" means Bank of America Securities, L.L.C.

"Bankruptcy Code" means Title 11 of the United States Code, 11 U.S.C. §§ 101-1532.

"Bankruptcy Court" means the United States Bankruptcy Court for the Middle District of Florida, Jacksonville Division.

"Bankruptcy Rules" means, as the context requires, the Federal Rules of Bankruptcy Procedure applicable to these Chapter 11 Cases and/or the local bankruptcy rules for the Bankruptcy Court as now in effect or as the same may from time to time hereafter be amended.

"**Bar Date**" means any date set forth in the applicable Bar Date Order for filing Administrative Expense Claims, Professional Claims, rejection damages, or Proofs of Claim by non-Governmental Authorities and Governmental Authorities.

"**Bar Date Orders**" means any Order setting a bar date for Administrative Expense Claims, Professional Claims, rejection damages, or Proofs of Claim by non-Governmental Authorities and Governmental Authorities.

"Bayview" means Bayview Financial Trading Group, L.P.

"**Bayview Servicing**" means Bayview Loan Servicing, LLC.

"**Bayview/U.S. Bank Documents**" means the transaction documents evidencing the Bayview /U.S. Bank Securitizations.

"**Bayview/U.S. Bank Securitizations**" means the mortgage loan securitization transactions described as Series 2003-6, 2004-1, 2007-13, 2007-13(1), 2007-13(2), 2007-13(3), 2007-13(4) and 2007 NP, established under the Bayview/U.S. Bank Documents.

"**BB&T**" means Branch Banking & Trust Company.

"**BB&T Funds**" means TBW's corporate operating accounts on deposit at BB&T, Winston-Salem, North Carolina.

"**Beneficiaries**" means the Holders of Allowed Claims of the Debtors (whether such Claims are Allowed as of or subsequent to the Effective Date), each of which is a beneficiary of the Plan Trust as provided for in the Plan Trust Agreement.

"**Berger Singerman**" means Berger Singerman P.A.

"**Best Interests Test**" has the meaning given to such term in Section X.A of the Disclosure Statement.

"**BMC**" means BMC Group, Inc., the Debtors' claims, notice, and balloting agent.

"**BNP Paribas**" means BNP Paribas Securities Corp.

"**Breach Determination Date**" means, with respect to a given pool of loans, (a) the date such loans were purchased from a Debtor or (b) for loans purchased from a non-Debtor entity, the date the claimant obtained rights to enforce a Debtor's sale representations and warranties with respect to such pool of loans.

"**Breach of Warranty Claim**" means a Claim (other than an EPD Claim) for breach of a representation or warranty arising under any provision or provisions of a loan purchase agreement with respect to a given loan.

"**Business Day**" means any day that is not a Saturday, a Sunday or "legal holiday" as such term is defined in Bankruptcy Rule 9006(a).

"**Cash**" means cash or cash equivalents, including but not limited to, wire transfers, checks and other readily marketable direct obligations of the United States of America and certificates of deposit issued by banks.

"**Cause**" means any of the following actions or omissions of the Plan Trustee in connection with his serving in his capacity as Plan Trustee for the Plan Trust: (i) the commission of an act of fraud, misappropriation, dishonesty, embezzlement, gross negligence or willful misconduct which is materially injurious to the Plan Trust or any Beneficiary; (ii) criminal felony indictment; or (iii) the continuing and/or willful failure to perform the

duties or obligations of the Plan Trustee as set forth in the Plan Trust Agreement, if such failure is not cured within fifteen (15) days after written notice from the Plan Advisory Committee.

"Causes of Action" means, except as provided otherwise in the Plan, the Confirmation Order or any document, instrument, release or other agreement entered into in connection with the Plan, all Claims, actions, choses in action, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, controversies, variances, trespasses, damages, judgments, third-party claims, counterclaims and cross claims of the Debtors and/or their Estates, the Creditors' Committee or the Plan Trustee, as successor to the Debtors and/or their Estates or the Creditors' Committee, including without limitation, an action that is or may be pending on the Effective Date or instituted by the Plan Trustee after the Effective Date against any Person based on law or equity, including, but not limited to, under the Bankruptcy Code, whether direct, indirect, derivative, or otherwise and whether asserted or unasserted, known or unknown, including, without limitation, Designated Causes of Action and Avoidance Actions; provided, however, that any affirmative defense or crossclaim asserted with respect to a Claim shall not be deemed a Cause of Action to the extent that it seeks to disallow or reduce, or is offset against, such Claim.

"Chapter 11 Cases" means case number 3:09-bk-07047 (TBW), case number 3:09-bk-10023 (HAM), and case number 3:09-bk-10022 (REO), pending in the Bankruptcy Court and as to which Jerry A. Funk is the presiding bankruptcy judge.

"Chapter 11 Protected Parties" has the meaning given to such term in Article 10.A of the Plan.

"Chapter 11 Released Claims" has the meaning given to such term in Article 10.A of the Plan.

"Claim" means "claim" as such term is defined in § 101(5) of the Bankruptcy Code, including, without limitation, (a) any right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (b) any right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and including, without limitation, any Claim, which any Affiliate may have against another Affiliate.

"Claims Administrator" means BMC.

"Claims Objection Deadline" means the date by which objections to Claims must be Filed and served on the Holders of such Claims.

"Claims Register" means, with respect to any Debtor, the claims register for such Debtor maintained by the Claims Administrator.

"Class" means a category of Holders of Claims or Interests as set forth in Article 2 of the Plan pursuant to § 1122 of the Bankruptcy Code.

"**COLB Documents**" means (i) the Loan Participation Sale Agreement (COLB Wet & Dry Mortgage Loans Program) dated December 18, 2007 between TBW, as Seller, and Colonial, as Buyer, and (ii) the Loan Participation Sale Agreement (COLB Wet & Dry Mortgage Loans Program – Construction Agreement), dated as of December 18, 2007, between TBW, as Seller, and Colonial, as Buyer, and all transaction documents related thereto.

"**COLB Facility**" means the loan participation facilities established under the COLB Documents.

"**COLB Loans**" means the residential mortgage loans that are assigned to the COLB Facility and are listed on Exhibit E to the FDIC Settlement Agreement.

"**COLB/Seaside Bank Facility**" means the mortgage loan participation facility in which Colonial purchased participation interests on behalf of and as agent for Seaside Bank, and evidenced by the Amended and Restated Loan Participation Sale Agreement (COLB Wet & Dry Mortgage Loans Program) dated December 10, 2008 among TBW, as Seller, and Colonial and Seaside Bank, as Buyers, and Colonial, as Agent and Custodian.

"**Colonial**" means Colonial Bank, an Alabama banking corporation, f/k/a Colonial Bank, N.A., a national banking association.

"**Colonial BancGroup**" means Colonial BancGroup, Inc., the holding company of Colonial.

"**Colonial Bank Receivership**" means the receivership estate of Colonial for which the FDIC was appointed as receiver in accordance with the statutory receivership process provided for in 12 U.S.C. §1821 *et seq.*

"**Confirmation**" means the entry of the Confirmation Order by the Bankruptcy Court confirming the Plan pursuant to § 1129 of the Bankruptcy Code.

"**Confirmation Date**" means the date on which the Bankruptcy Court enters the Confirmation Order on its docket.

"**Confirmation Hearing**" means the hearing or hearings before the Bankruptcy Court pursuant to § 1128 of the Bankruptcy Code and Bankruptcy Rule 3020(b) to consider confirmation of the Plan.

"**Confirmation Order**" means the Order of the Bankruptcy Court confirming the Plan pursuant to § 1129 of the Bankruptcy Code, as such Order may be amended, modified or supplemented.

"**Corporate Advances**" means all customary, reasonable and necessary "out of pocket" costs and expenses incurred in the performance by TBW, as servicer, of its servicing obligations.

"**Cramdown Plan**" means the Plan if confirmed by the Bankruptcy Court pursuant to § 1129(b) of the Bankruptcy Code.

"**Credit Suisse**" means Credit Suisse First Boston Mortgage Securities Corp.

"**Creditor**" means "creditor" as defined in § 101(10) of the Bankruptcy Code and shall refer to any Holder of a Claim against any Debtor or Holder of any Claim against property of any Debtor as defined in § 102(2) of the Bankruptcy Code.

"**Creditors' Committee**" means the Official Committee of Unsecured Creditors of the Debtor.

"**Creditors' Committee's Counsel**" means Berger Singerman PA.

"**CRO**" means Neil Luria, a Managing Director of Navigant, in his capacity as Chief Restructuring Officer of TBW.

"**Custodial Funds Clearing Account**" means TBW's Account No. 8037152645 at Colonial.

"**Debt**" means liability on a Claim.

"**Debtor**" means, unless otherwise specified, TBW as a Debtor in these Chapter 11 Cases.

"**Debtor/HAM**" means Home America Mortgage as a Debtor in these Chapter 11 Cases.

"**Debtor Released Claims**" has the meaning given to such term in Article 10.D of the Plan.

"**Debtor Releasees**" has the meaning given to such term in Article 10.D of the Plan.

"**Debtor/REO**" means REO Specialists as a Debtor in these Chapter 11 Cases.

"**Debtors**" means, collectively, TBW, Home America Mortgage and REO Specialists as Debtors in these Chapter 11 Cases.

"**Debtors' Chapter 11 Counsel**" means Troutman Sanders LLP and Stichter, Reidel, Blain & Prosser, P.A.

"**Debtors in Possession**" means the Debtors in the capacity and with the status and rights conferred by §§ 1107 and 1108 of the Bankruptcy Code.

"**Deficiency Claim**" means, with respect to a Claim that is partially secured by a Lien on, or security interest in, property of any of the Debtors, or that has the benefit of partial rights of setoff under § 553 of the Bankruptcy Code, the amount by which the Allowed amount of such Claim exceeds the value of the property of the Debtors securing such Claim or the amount subject to setoff, as applicable, as determined by the Bankruptcy Court pursuant to §§ 506(a), 553, and/or 1129(b)(2)(A)(i)(II) of the Bankruptcy Code.

"**Deloitte**" means Deloitte & Touche LLP, the Debtors' certified public accountants and auditors.

"**De Minumis Distribution**" means any Distribution (other than a Distribution on an Allowed Secured Claim) in an amount less than $50.

"**Designated Causes of Action**" has the meaning given to such term in Section VI.K.1 of the Disclosure Statement.

"**Designated Insurance Policy**" has the meaning given to such term in Article 9.D.1 of the Plan, which policies are to be identified in an exhibit to the Plan Supplement.

"**Designated Non-Executory Insurance Policy**" means any insurance policy to which any Debtor is a party that is not executory in nature within the meaning of § 365 of the Bankruptcy Code, which policies are to be identified in an exhibit to the Plan Supplement.

"**DIP Facility**" means the debtor-in-possession financing facility provided by Selene Residential, created pursuant to the terms of the debtor-in-possession financing agreement attached as Exhibit A to Docket # 498.

"**DIP Facility Claim**" means any claim held by the DIP Lender under the DIP Facility.

"**DIP Financing Motion**" means the *Motion of the Debtor Seeking Order: (A) Authorizing the Debtor to Obtain Postpetition Financing From the DIP Lender on a Final Basis Pursuant to §§ 105 and 364 of the Bankruptcy Code; (B) Providing Liens, Security Interests and Superpriority Claims to the DIP Lender; and (C) Approving The Form and Method of Notice Thereof* [Docket # 498].

"**DIP Lender**" means Selene Residential, in its capacity as lender under the DIP Loan Agreement, and such other lenders that may be parties to the DIP Loan Agreement.

"**DIP Loan Agreement**" means the Debtor-In-Possession Loan Agreement dated as of October 21, 2009, as amended, supplemented or modified from time to time, by and among TBW and the DIP Lender.

"**DIP Order**" means the *Order (A) Authorizing the Debtor to Obtain Postpetition Financing From the DIP Lender on a Final Basis Pursuant to §§ 105 and 364 of the Bankruptcy Code; (B) Providing Liens, Security Interests and Superpriority Claims to the DIP Lender; and (C) Approving The Form and Method of Notice Thereof* [Docket # 617].

"**Disclosure Statement**" means the disclosure statement Filed with respect to the Plan, either in its present form or as the disclosure statement may be altered, amended, or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

"**Disputed Claim**" means any Claim other than (i) an Allowed Claim or (ii) a Claim that has been disallowed by the Court under § 502 of the Bankruptcy Code.

"**Disputed Claims Reserve**" means the reserve established in accordance with Article 7.C.3 of the Plan for the payment of Disputed Claims that are Unsecured Claims, which reserve may be augmented by the Plan Trustee as set forth in the Plan and the Plan Trust Agreement.

"**Distribution**" means any distribution to or on account of the Holder of a Claim against a Debtor.

"**Early Payment Default**" or "**EPD**" means a payment default that occurs early in the life of the loan.

"**Early Purchase Facility**" means a mortgage loan participation facility in which Bank of America purchased 100% participation interests in mortgage loans from TBW pursuant to the Mortgage Loan Participation Purchase and Sale Agreement dated March 31, 2009 between TBW, as Seller, and Bank of America, as Purchaser.

"**Effective Date**" means the Business Day on which the Plan becomes effective pursuant to Article 12 of the Plan; provided however, that if any stay or injunction against enforcement or execution of the Confirmation Order is issued prior to the date that would otherwise be the Effective Date, the Effective Date shall be the first Business Day after all such stays or injunctions are no longer in effect.

"**Entity**" means an "entity" as defined in § 101(15) of the Bankruptcy Code.

"**ESOP**" means the Taylor Bean & Whitaker Employee Stock Ownership Plan and all amendments thereto.

"**Estate**" means the bankruptcy estate created in the Chapter 11 Cases for each respective Debtor pursuant to § 541 of the Bankruptcy Code.

"**Exclusive Filing Period**" means the exclusivity period during which only the Debtors may file a Chapter 11 plan.

"**Exclusive Solicitation Period**" means the exclusivity period during which the Debtors may solicit acceptances of the Plan.

"**FDIC**" means the Federal Deposit Insurance Corporation. Unless otherwise indicated, all references to the FDIC are to the FDIC in its capacity as receiver for Colonial.

"**FDIC Documents**" means the bills of sale, security agreements, financing statements and any other documents or certificates to be executed and delivered or recorded by the Debtors, if before the Effective Date, or the Plan Trustee, if on or after the Effective Date, on behalf of the Plan Trust pursuant to the FDIC Settlement Agreement to vest title to the COLB Loans in, or grant and perfect a security interest in the AOT Loans or Overline Loans in favor of, the FDIC, a copy of which shall be attached as an exhibit to the Plan Supplement.

"FDIC GUC Claim" means the Allowed General Unsecured Claim of the FDIC against TBW in the amount set forth in Section 1.9 of the FDIC Settlement Agreement and referred to therein as the "FDIC-R GUC Claim."

"FDIC Released Claims" has the meaning given to such term in Article 10.C of the Plan.

"FDIC Releasees" has the meaning given to such term in Article 10.C of the Plan.

"FDIC Releasors" has the meaning given to such term in Article 10.D of the Plan.

"FDIC Settlement Agreement" means the Settlement Agreement dated as of August 11, 2010 between the Debtor, the Creditors' Committee and the FDIC, as amended by the First Amendment to the FDIC Settlement Agreement filed on August 31, 2010, and approved by the Bankruptcy Court on September 14, 2010 [Docket # 1936], a copy of which shall be attached as an exhibit to the Plan Supplement.

"**FDIC Settlement Date**" means September 14, 2010, which is the date the Bankruptcy Court's Order approving the FDIC Settlement Agreement was entered in these Chapter 11 Cases [Docket # 1936].

"**FDIC Stipulation**" means the written agreement entered into on or about September 10, 2009 between the Debtor and the FDIC [Docket # 222].

"FDIC Substantial Contribution Claim" the claim awarded by the Bankruptcy Court to the FDIC in the amount of $1.75 million under § 503(b)(3)(D) of the Bankruptcy Code pursuant to the Plan and the FDIC Settlement Agreement.

"FDIC Trade Carve-out" means the amount agreed to be paid to the Trade Creditors from the FDIC GUC Claim, as described in Section 1.10 of the FDIC Settlement Agreement, and also referred to as the Trade Creditor Recovery.

"Feasibility Test" has the meaning given to such term in Section X.B of the Disclosure Statement.

"Fee Application" means an application filed with the Bankruptcy Court in accordance with the Bankruptcy Code and Bankruptcy Rules for payment of a Professional Claim.

"FHA" means Federal Housing Administration, a government agency that is part of the Department of Housing and Urban Development, which was established for the purpose of encouraging home ownership and which, among other things, provides mortgage insurance on loans made by FHA-approved lenders, mitigating the risk on those loans for the originators.

"File," "Filed" or "Filing" means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

"Final Decree" means, with respect to each Debtor, respectively, the decree contemplated under Bankruptcy Rule 3022.

"**Final Order**" means an order or judgment of the Bankruptcy Court, or other court of competent jurisdiction, as entered on the docket in any Bankruptcy Case or the docket of any other court of competent jurisdiction, that has not been reversed, stayed, modified or amended, and as to which the time to appeal or seek certiorari or move for a new trial, reargument or rehearing has expired, and no appeal or petition for certiorari or other proceedings for a new trial, reargument or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been timely filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which *certiorari* was sought or the new trial, reargument or rehearing shall have been denied or resulted in no modification of such order.

"**Freddie Mac**" or "**FHLMC**" means the Federal Home Loan Mortgage Corporation, a congressionally chartered corporation that purchases residential mortgages in the secondary market from mortgage bankers, banks, and savings and loan associations and then packages the mortgages into guarantied securities that are sold to investors in the capital markets.

"**General Bar Date**" means the deadline for both non-Governmental Authorities and Governmental Authorities to submit Proofs of Claim in these Chapter 11 Cases.

"**General Bar Date Order**" means the Order entered by the Bankruptcy Court on February 22, 2010 [Docket # 1067] that established bar dates for filing proofs of claim and approved the form and manner of notice thereof.

"**General Unsecured Claims**" means all Unsecured Claims including the FDIC GUC Claim other than (and excluding) Trade Claims and Subordinated Claims.

"**General Unsecured Claims (Trade Creditors)**" means all Unsecured Claims held by Trade Creditors.

"**Ginnie Mae**" **or** "**GNMA**" means Government National Mortgage Association, a congressionally chartered corporation that buys mortgages insured by both the Federal Housing and Veterans Administrations and then pools them into a government-guaranteed investment vehicle called a mortgage-backed security.

"**Governmental Authority**" means any federal, state, provincial, municipal, national or other government, governmental department, commission, board, bureau, court, tribunal, agency or instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"**Gross Affected Funds**" means cumulative amount of servicing–related funds affected by TBW's collapse, as defined in the Servicing Reconciliation.

"**Henley Holdings**" means Henley Holdings LLC, a Delaware limited liability company, and the purchaser under the Henley Holdings Documents.

"**Henley Holdings Documents**" means that certain Mortgage Loan Sales and Servicing Agreement dated October 17, 2007 by and between TBW, Henley Holdings LLC, and TBW Funding III, and all transaction documents related thereto.

"**Holder**" means an Entity holding a Claim or Interest or any authorized agent who has completed, executed and delivered a Ballot in accordance with the applicable voting instructions. All references to Holders of an Interest in the Plan Trust shall mean the Beneficiaries described in the Plan Trust Agreement.

"**Home America Mortgage**" or "**HAM**" means Home America Mortgage, Inc., a Florida corporation, and a wholly-owned subsidiary of TBW.

"**HUD**" mean the U.S. Department of Housing and Urban Development.

"**Impaired**" means "impaired" within the meaning of § 1124 of the Bankruptcy Code.

"**Insider**" means any "insider" of any of the Debtors within the meaning of § 101(31) of the Bankruptcy Code.

"**Intercompany Claim**" means any Claim of a Debtor against another Debtor, whether accruing before or after the Petition Date, (ii) any Claim for reimbursement arising from one Debtor's (A) payment as guarantor or surety, of the Debt(s) of another Debtor, or (B) payment or other satisfaction of the Debt(s) or expense(s) of another Debtor, and (iii) any Claim for contribution of a Debtor arising from such Debtor's payment of a disproportionate share of (A) a joint-and-several liability with one or more other Debtor(s) or (B) expenses that were properly allocable between multiple Debtors.

"**Interest**" means, with respect to any Debtor, any "equity security," as such term is defined in Bankruptcy Code § 101(16). Interests shall also include, without limitation, all stock, partnership, membership interest, warrants, options, or other rights to purchase or acquire any equity interest in any Debtor.

"**Investigation**" means the internal investigation into the accounting practices of TBW, which was undertaken by TBW and conducted by Troutman Sanders in the summer of 2009.

"**IRC**" means Title 26 of the United States Code.

"**IRS**" means the U.S. Internal Revenue Service.

"**LBF Holdings LLC**" means LBF Holdings LLC, a Florida limited liability company that is owned and controlled by Lee Farkas.

"**Lehman Brothers**" means Lehman Brothers Holdings, Inc.

"**Lien**" means any mortgage, lien, pledge, security interest or other charge or encumbrance or security device of any kind in, upon, or affecting any Asset of a Debtor as contemplated by § 101(37) of the Bankruptcy Code.

"**Liquidation Analysis**" means the liquidation analysis annexed to or incorporated into the Disclosure Statement.

"**Liquidation Expenses**" means, with respect to any Allowed Secured Claim, all costs and expenses incurred by or on behalf of the Plan Trust in preserving or disposing of the Assets securing the Allowed Secured Claim, including, in the case of collection of choses in action, the costs and expenses of attorneys, expert witnesses, and consultants employed by the Plan Trust in prosecuting or otherwise resolving such choses in action.

"**Liquidation Value**" has the meaning given to such term in Section X.A of the Disclosure Statement.

"**Magnolia Funding**" means Magnolia Street Funding, Inc., a Delaware corporation, which is a special-purpose entity that is a wholly-owned subsidiary of TBW, and was the securitization conduit for the Series 2003-6 Bayview/U.S. Bank Securitization.

"**Magnolia Funding II**" means Magnolia Street Funding II, Inc., a Delaware corporation, which is a special-purpose entity that is a wholly-owned subsidiary of TBW, and was the securitization conduit for the Series 2004-1 Bayview/U.S. Bank Securitization.

"**Material Decisions**" has the meaning given to such term in the Plan Trust Agreement.

"**Maturity Date**" means, with respect to any Claim arising pursuant to a written agreement, the maturity date of such Claim under such agreement, without acceleration, and determined without reference to any default under such agreement(s).

"**MBS Sale**" means the § 363 sale by TBW to AG Mortgage of TBW's residual and other interests in seven trusts that issued securities backed by mortgage loans.

"**Natixis**" means Natixis Real Estate Capital, Inc., f/k/a IXIS Real Estate Capital, Inc.

"**Natixis Facility**" means the $133 million revolving credit facility evidenced by the Natixis Loan Agreement.

"**Natixis Loan Agreement**" means the Second Amended and Restated Loan and Security Agreement dated as of November 28, 2008, as amended by Amendment No. 1 and No. 2 thereto.

"**Navigant**" means Navigant Capital Advisors, LLC.

"**Net Distributable Assets**" means, with respect to each Debtor's respective Estate, the calculation described in Article 7.D.1 of the Plan.

"**Net Proceeds**" means with respect to any asset sale, the cash proceeds paid by the purchaser in such sale, less the reasonable costs, fees and expenses incurred by the seller to negotiate and close such asset sale.

"**Non-FDIC Releasors**" has the meaning given to such term in Article 10.C of the Plan.

"**Ocala Funding**" means Ocala Funding, LLC, a Delaware limited liability company and a wholly-owned subsidiary of TBW, which was a securitization conduit that issued commercial paper backed by the mortgage loans it purchased from TBW.

"**Ocala Funding Facility**" means Ocala Funding's commercial paper facility that was created in 2005, ultimately expanded to a $4 billion facility, and was restructured in June 2008 and reduced to a $1.75 billion facility.

"**Order**" means any order entered by the Bankruptcy Court in connection with the Debtors' Chapter 11 Cases.

"**Ordinary Course Professionals**" means professionals that TBW employed pre-petition in the ordinary course of its business and retained without having to file formal retention applications with the Bankruptcy Court, in accordance with the terms of the Bankruptcy Court's Order entered on May 25, 2010 [Docket # 1477].

"**OTS**" means the Office of Thrift Supervision, an office within the U.S. Department of Treasury.

"**Overline Facility**" means the $19.8 million facility provided by Colonial under (i) the Repurchase Agreement to purchase mortgage loans from TBW and (ii) the REO Line of Credit to fund advances against eligible REO owned by TBW.

"**Overline Loans**" means the mortgage loans assigned to the Overline Facility and listed on Exhibit H to the FDIC Settlement Agreement.

"**Overline REO**" means the REO related to the Overline Facility and listed on Exhibit J to the FDIC Settlement Agreement.

"**P&I Advances**" means all funds paid by TBW, in its capacity as servicer, for principal and interest owed by borrowers on mortgage loans.

"**Person**" means any individual, corporation, limited liability company, general partnership, limited partnership, limited liability partnership, limited liability limited partnership, association, joint stock company, joint venture, estate, trust, unincorporated organization, Governmental Authority, or other Entity.

"**Petition Date**" means August 24, 2009, the date TBW filed its Chapter 11 bankruptcy petition. With respect to HAM and REO, "Petition Date" means November 25, 2009.

"**Plainfield**" means Plainfield Specialty Holdings II Inc., and its successors in interest.

"**Plan**" means the Chapter 11 liquidating plan Filed by the Plan Proponents, either in its present form or as it may be altered, amended, or modified from time to time in accordance with the provisions of the Bankruptcy Code and the Bankruptcy Rules.

"Plan Advisory Committee" means the post-confirmation committee formed on the Effective Date, selected by the Creditors' Committee and identified by the Plan Proponents in the Plan Supplement.

"Plan Liabilities" means the "Liabilities" as defined in the Plan Trust Agreement.

"Plan Notice" means the notice of the Bankruptcy Court setting forth: (i) the deadline for casting ballots either accepting or rejecting the Plan; (ii) the deadline for filing objections to confirmation of the Plan; and (iii) the date, time and location of the Confirmation Hearing [Docket # _____].

"Plan Proponents" means the Debtors and the Creditors' Committee.

"Plan Summary Table" means the summary of classification and treatment of Claims and Interests under the Plan, and is set forth in Section II.B of the Disclosure Statement.

"Plan Supplement" means the document to be Filed with the Bankruptcy Court at least three (3) days prior to the Confirmation Hearing, to which shall be attached exhibits that contain, among other things, a list of the members of the Plan Advisory Committee, a copy of the Plan Trust Agreement, and the FDIC Documents.

"Plan Trust" means the trust known as "The Taylor, Bean & Whitaker Plan Trust" created pursuant to the Plan Trust Agreement on the Effective Date in accordance with the Plan, the Confirmation Order and the Plan Trust Agreement, the purposes of which include, without limitation: (i) to receive the Assets of each Debtor for the benefit of the Holders of Claims against each of the Debtors under the Plan and otherwise to act as a "liquidating trust" within the meaning of Treasury Regulations § 301.7701-4(d); (ii) to collect and sell, dispose, or otherwise realize value of any kind whatsoever in respect of each Debtor's Assets; (iii) to preserve and distribute the consideration to be distributed to Holders of Claims against each of the Debtors pursuant to the Plan, the Plan Trust Agreement, the Confirmation Order, and such other Orders as may be entered by the Bankruptcy Court; (iv) to prosecute or settle objections to Disputed Claims against each of the Debtors; (v) to prosecute or settle Causes of Action (including, without limitation, Designated Causes of Action and Avoidance Actions) for the benefit of Creditors of each of the Debtors; and (vi) to perform all other obligations pursuant to the Plan, the Plan Trust Agreement, and any Orders entered by the Bankruptcy Court. For the avoidance of doubt, references in the Plan to "the Plan Trust" may also be construed as "the Plan Trustee, for the benefit of Holders of beneficial interests in the Plan Trust," as the context requires.

"Plan Trust Agreement" means the trust agreement for the Plan Trust, as in effect from time to time.

"Plan Trust Assets" means, collectively, (i) the Assets of the Debtors contributed to the Plan Trust in accordance with Article 6.F.1 of the Plan and in accordance with the Plan Trust Agreement, and (ii) any proceeds of any other property to which the Debtors' Estates are or become entitled pursuant to any settlement, stipulation, Order of the Bankruptcy Court, or otherwise.

"Plan Trust Exculpated Parties" has the meaning given to such term in the Plan Trust Agreement.

"Plan Trust Operating Expense Reserve" means the reserve established in accordance with Article 7.C.1 of the Plan for the payment of Plan Trust Operating Expenses, which reserve may be augmented by the Plan Trustee as set forth in the Plan and the Plan Trust Agreement.

"Plan Trust Operating Expenses" means any and all costs, expenses and other liabilities incurred or anticipated to be incurred in connection with the administration of the Plan Trust and the maintenance, liquidation and Distribution of Plan Trust Assets, including, without limitation, (1) amounts due to the Plan Trustee and its professionals, agents and advisors, (2) amounts due to the Plan Advisory Committee and its members and their respective professionals, (3) amounts due to any Plan Trust Exculpated Party, and (4) U.S. Trustee fees due under Article 3.C of the Plan or the U.S. Trustee's guidelines, in each case whether incurred or asserted pursuant to the Plan, the Confirmation Order, the Plan Trust Agreement or otherwise.

"Plan Trust Professionals" means the Plan Trustee, counsel to the Plan Trustee, and such other professionals retained by the Plan Trustee to assist in the administration and all other duties of the Plan Trust, including, without limitation, commencing and prosecuting the Causes of Action and Claims reconciliation process.

"Plan Trust Released Claims" has the meaning given to such term in the Plan Trust Agreement.

"Plan Trustee" means Neil F. Luria or any successor appointed to serve as trustee of the Plan Trust in accordance with the terms of the Plan, Confirmation Order and the Plan Trust Agreement.

"Platinum Bancshares" means Platinum Bancshares, Inc., an Illinois corporation and a subsidiary of TBW.

"Platinum Bank" means Platinum Community Bank, a federally chartered thrift and a wholly-owned subsidiary of Platinum Bancshares.

"Priority Claim" means a Claim to the extent that it is of the kind described in, and entitled to priority under § 507(a) of the Bankruptcy Code, other than an Administrative Expense Claim or a Priority Tax Claim.

"Priority Tax Claim" means a Claim of a Governmental Authority of the kind specified in § 507(a)(8) of the Bankruptcy Code.

"pro rata" means, with respect to any Distribution on account of any Allowed Claim in any Class, the ratio of (a) the amount of such Allowed Claim to (b) the sum of (i) all Allowed Claims in such Class and (ii) the aggregate maximum allowable amount of all Disputed Claims in such Class for which a Reserve must be established under the Plan.

"**Professional**" means any professional employed or to be compensated pursuant to §§ 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code.

"**Professional Claim**" means a Claim for compensation for services and/or reimbursement of expenses pursuant to §§ 327, 328, 330, 331 or 503(b) of the Bankruptcy Code in connection with an application made to the Bankruptcy Court in the Chapter 11 Cases.

"**Professional Claim Bar Date**" means the date or dates fixed by the Bankruptcy Court as the last date for filing a request for payment of a Professional Claim, as set forth in Article 3.A.3 of the Plan, that is not subject to any other Bar Date Orders or any other Order that establishes the last date for filing such Professional Claim. The Plan does not affect or extend any Professional Claim deadline established by any other Order and the earliest Professional Claim deadline applicable to any Professional Claim shall govern and control.

"**Professional Claim Objection Deadline**" means twenty-five (25) days after the Professional Claim Bar Date, or as extended pursuant to Article 3.A.3(b) of the Plan.

"**Proof of Claim**" means a proof of claim filed in the Chapter 11 Cases pursuant to § 501 of the Bankruptcy Code and/or pursuant to any Order of the Bankruptcy Court, together with supporting documents.

"**Purchased Loan**" means a mortgage loan that was purchased by a buyer under the Repurchase Agreement.

"**Reconciliation**" means collectively the Asset Reconciliation and the Servicing Reconciliation conducted by the Debtor, the results of which are set forth in the Reconciliation Report, as more particularly described in Section IV.H.7 of the Disclosure Statement.

"**Reconciliation Report**" means the Final Reconciliation Report dated July 1, 2010 prepared by the Debtors, as more particularly described in Section IV.H.7 of the Disclosure Statement.

"**Regions**" means Regions Bank.

"**Rejection Orders**" means the Orders of the Bankruptcy Court approving the Debtor's motions seeking authority to reject certain non-residential real property leases, equipment leases, and/or executory contracts.

"**REMICs**" means real estate mortgage investment conduits within the meaning of the Internal Revenue Code.

"**REO**" means real estate owned, a term typically used for how an asset was held following foreclosure of the mortgage loan by the record owner of the loan or its agent.

"**REO Line of Credit**" means the committed line of credit provided to TBW by Colonial under the REO Loan and Security Agreement.

"**REO Loan and Security Agreement**" means the Amended and Restated Mortgage Warehouse Loan and Security Agreement (REO Line of Credit), dated as of June 30, 2009 between TBW, as borrower, and Colonial, as Lender.

"**REO Proceeds Clearing Account**" means TBW's Account No. 8037245423 at Colonial into which proceeds from the sale of REO were deposited and disbursements relating to preservation of REO were made.

"**REO Sale**" means the § 363 bulk sale of approximately 901 REO properties by TBW to Selene REO approved by the Bankruptcy Court pursuant to Orders entered on December 17, 2009 and January 11, 2010.

"**REO Sale Agreement**" means the Real Estate Purchase and Sale Agreement dated October 21, 2009 between TBW and Selene REO.

"**REO Specialists**" means REO Specialists, LLC, a Florida limited liability company, and a wholly-owned subsidiary of TBW.

"**Repo Line**" means the committed mortgage loan purchase facility established under the Repurchase Agreement.

"**Repurchase Agreement**" means the Amended and Restated Master Repurchase Agreement dated as of October 31, 2008 and/or June 30, 2009 between the buyers party thereto, their agent named therein, and TBW, as the seller.

"**Repurchase Facility**" means the facility established under the Repurchase Agreement.

"**Reserves**" means the Plan Trust Operating Expense Reserve, the Administrative and Priority Claims Reserve, and the Disputed Claims Reserve, as the context shall require.

"**Reverse Mortgages**" means the twenty-three reverse mortgages subject to the *Order Approving the Debtor's Sale of Reverse Mortgages and Granting Related Relief*, entered June 30, 2010 [Docket # 1642].

"**RoundPoint**" means RoundPoint Mortgage Servicing Corporation, a Florida corporation.

"**Schedules**" means, collectively, the Debtors' respective Statements of Financial Affairs and Schedules of Assets and Liabilities.

"**Seaside**" means Seaside Bank.

"**Secured Claim**" means a Claim that is secured by a Lien on, or security interest in, property of any of the Debtors, or that has the benefit of rights of setoff under § 553 of the Bankruptcy Code, but only to the extent of the value of the Creditor's interest in the Debtor's interest in such property, or to the extent of the amount subject to setoff, which value shall be determined by the Bankruptcy Court pursuant to §§ 506(a), 553, and/or 1129(b)(2)(A)(i)(11) of the Bankruptcy Code, as applicable.

"**Selene Finance**" means Selene Finance, LP.

"**Selene REO**" means Selene RMOF REO Acquisition II LLC, a Delaware limited liability company.

"**Selene Residential**" means Selene Residential Mortgage Opportunity Fund, L.P., lender for TBW's debtor-in-possession financing.

"**Servicing Advance**" means principal and interest advances and taxes and insurance advances that TBW, as servicer, was required to advance on behalf of borrowers under its various servicing agreements.

"**Servicing Fees**" means (i) with respect to any mortgage loan or any subset thereof, the servicing fees and any and all income, revenue, fees, expenses, charges or other moneys permitted to be received, collected, and retained by TBW, as servicer, pursuant to the applicable mortgage loan servicing agreement, and (ii) with respect to residential mortgage loans owned by a non-Debtor Entity but for which one or more Debtors holds the Servicing Rights, the servicing fees and any and all income, revenue, fees, expenses, charges or other moneys permitted to be received, collected, and retained by TBW, as servicer, pursuant to the agreement governing such Servicing Rights.

"**Servicing Reconciliation**" means the reconciliation performed by the Debtor in accordance with the terms of the FDIC Stipulation relating to borrower funds and other servicing related monies that were affected by the collapse of TBW and the failure of Colonial, as more particularly described in the Reconciliation Report.

"**Servicing Rights**" means, (i) with respect to any mortgage loans or any subset thereof, the right to service such mortgage loans, or to designate the servicer of such Mortgage Loans, on substantially the same terms and conditions set forth in the applicable mortgage loan servicing agreement, and (ii) with respect to residential mortgage loans owned by a non-Debtor Entity, the right to service and/or designate the servicer or sub-servicer of such loans on the terms set forth in the agreement governing the servicing of such loans.

"**Sharing Percentage**" means, with respect to any Allowed Secured Claim against any Debtor, the percentage of the net recovery on such Claim that will be paid to the Plan Trust as compensation for prosecuting, collecting, settling or otherwise monetizing such Claim. The Sharing Percentage will either (a) be agreed to in writing by the Holder of such Claim and the Plan Proponents (if prior to the Effective Date) or the Plan Trustee (if on or after the Effective Date), or (b) set forth by the Plan Proponents in the Plan Supplement. The Sharing Percentage shall be multiplied by the net recovery on such Claim to determine the dollar amount or value of such recovery that is payable to the Plan Trustee. The net recovery on such Claim shall equal the total recovery on such Claim *minus* the Liquidation Expenses applicable to such Claim.

"**Sovereign**" means Sovereign Bank, a Federal Savings Bank, in its capacity as Agent for the Lenders under the Sovereign Facility.

"**Sovereign Facility**" means the $236 million revolving credit facility evidenced by the Sovereign Loan Agreement.

"**Sovereign Loan Agreement**" means the Sixth Amended and Restated Servicing Facility Loan and Security Agreement dated May 15, 2009 between TBW, as borrower, Sovereign, as agent, and the other lenders party thereto.

"**Stichter Riedel**" means Stichter, Riedel, Blain & Prosser, P.A., a Florida professional association, counsel to the Debtors.

"**Subordinated Claim**" means any Claim that (i) is subordinate in right of payment to another Class of Claims by (a) an agreement that is enforceable pursuant to § 510(a) of the Bankruptcy Code or (b) Order of the Bankruptcy Court pursuant to §§ 509(c) or 510(e) of the Bankruptcy Code, (ii) arises from rescission of a purchase or sale of a security of any Debtor, for damages arising from the purchase or sale of such a security, or for reimbursement of contribution allowed under § 502 of the Bankruptcy Code on account of such a Claim, or (iii) is for any fine, penalty, or forfeiture, or for multiple, exemplary, or punitive damages arising before the Petition Date, to the extent that such fine, penalty, forfeiture, or damages are not compensation for actual pecuniary loss suffered by the Holder of such Claim.

"**T&I Advances**" means advances for taxes and insurance made by TBW as servicer for a mortgage loan.

"**TARP**" means Troubled Asset Relief Program.

"**TBW**" means Taylor, Bean & Whitaker Mortgage Corp., a Florida corporation.

"**TBW Funding II**" means TBW Funding Company II LLC, a Delaware limited liability company, which is a special-purchase entity that is a wholly-owned subsidiary of TBW and was established as the securitization conduit for certain of the Bayview/U.S. Bank Securitizations.

"**TBW Funding III**" means TBW Funding Company III, LLC, a Delaware limited liability company, which is a special purpose entity that is a wholly-owned subsidiary of TBW and was established in connection with a transaction with Henley Holdings.

"**TBW Whole Loans**" means the mortgage loans listed on Exhibit K to the FDIC Settlement Agreement.

"**Trade Claims**" has the meaning given to such term in Article 4.H.1 of the Plan.

"**Trade Creditor**" means each Holder of a Trade Claim.

"**Trade Creditor Recovery**" has the meaning given to such term in Section 1.10 of the FDIC Settlement Agreement.

"**Treasury Regulations**" means the regulations promulgated from time to time by the IRS or the Department of the Treasury, as amended, supplemented or modified from time to time.

"**Troutman Sanders**" means Troutman Sanders LLP, a Georgia limited liability partnership, special counsel to the Debtor.

"**UBS**" means UBS Securities, LLC.

"**U.C.C.**" means the Uniform Commercial Code, as enacted in the applicable state.

"**Unanimous Decision**" has the meaning given to such term in the Plan Trust Agreement.

"**Unimpaired**" means, with respect to a Class of Claims, that such Class is not Impaired.

"**Unencumbered**" means, with respect to any Asset or other property, not subject to (i) a Lien or (ii) a charge to use such Asset or other property for a particular purpose to which the Debtors or the Plan Trustee have agreed or are bound.

"**Unsecured Claim**" means a Claim that is not a DIP Facility Claim, Secured Claim, Administrative Expense Claim, Priority Tax Claim, Priority Claim, or Subordinated Claim, and shall include, without limitation, any Deficiency Claim.

"**UPB**" means unpaid principal balance.

"**U.S. Bank**" means U.S. Bank, National Association, in its capacity as trustee under the Bayview/U.S. Bank Documents.

"**U.S. Trustee**" means the Office of the United States Trustee for the Middle District of Florida.

"**VA**" means U.S. Department of Veterans Affairs.

"**WARN Act**" means Worker Adjustment Retraining Notification Act, 29 U.S.C. § 2101, *et seq.*

"**Wells Fargo**" means Wells Fargo Bank, N.A.

References to an "Article," "Section," "§," "Exhibit," or "Annex" shall be to an Article, Section, §, Exhibit, or Annex to the Plan or the Disclosure Statement unless otherwise specifically provided. Any term defined therein may be used in the singular or plural. Thus, for example, the term "Chapter 11 Protected Party" means any of the "Chapter 11 Protected Parties." The terms "include," "includes" and "including" shall be deemed to be followed by "without limitation." All pronouns used therein shall be deemed to cover all genders. Except as otherwise specified or limited therein, references to any Person include the successors and assigns of such Person. References "from" or "through" any date mean, unless otherwise specified, "from and including" or "through and including," respectively. Unless otherwise specified therein, all payments described or references to "$" therein shall refer to United States Dollars. References to any agreement, instrument or document shall include all schedules, exhibits, annexes and other attachments thereto.

EXHIBIT B

Disclosure Statement Order

[TO BE PROVIDED]

EXHIBIT C

Liquidation Analysis

TBW Recovery Analysis
Chapter 11 - Proposed Plan of Liquidation

	Low End Estimate	High End Estimate
CASH		
Operating Cash On-Hand - As of 8-31-10	$54,109,604	$54,109,604
Net Change in Operating Cash from 9-1-10 to 12-31-2010	$50,968,902	$70,318,415
FDIC Confirmation Related Cash Recoveries **[A]**	$104,040,587	$110,247,339
FDIC Substantial Contribution Claim	($1,750,000)	($1,750,000)
Bank Balance - As of estimated confirmation of 1-1-2011	**$207,369,094**	**$232,925,358**
ASSET RECOVERIES [B]		
Unpaid Advance Reimbursement	$90,000,000	$250,000,000
Overline Loans *less* $14 MM loan balance	$11,335,143	$19,928,341
AOT Loan Advance Recovery	$5,735,000	$5,735,000
COLB 1% Ownership Interest	$4,176,460	$5,916,652
Bayview MBS Securities Portfolio	$2,000,000	$4,000,000
AOT 1% Disposition Fee	$1,211,976	$1,835,972
Non-Essential Asset Recoveries	$250,000	$500,000
Totals	**$114,708,579**	**$287,915,965**
ESTIMATED ASSETS AVAILABLE FOR DISTRIBUTION	**$322,077,672**	**$520,841,323**
AOT / OVERLINE OVERSIGHT AND SALE (Net-Zero Cash Affect)		
Expense Related to AOT / Overline Oversight and Sale	$4,786,132	$4,162,136
Expense Reimbursement for AOT / Overline Sale (via FDIC)	($4,786,132)	($4,162,136)
Totals	**$0**	**$0**
ADMIN, PRIORITY, TAX AND SECURED CLAIMS		
Liquidating Trust Professionals and Support Staff	($20,346,175)	($19,969,968)
Trade & Expense Payables	($3,820,000)	($3,820,000)
Unpaid Professional Fees	($750,000)	($400,000)
Administrative Claims	($1,294,446)	($1,294,446)
Priority Tax Claims	($1,967,480)	($1,967,480)
Priority Non-Tax (Employee Un-paid Vacation) Claims **[C]**	($1,896,166)	($208,084)
WARN Act Claims **[C]**	($28,000,000)	$0
Secured Claim - Sovereign **[D]**	$0	($92,735,393)
Secured Claim - Natixis **[D]**	$0	($46,485,802)
Totals	**($58,074,267)**	**($166,881,172)**
ESTIMATED TOTAL AVAILABLE FOR DISTRIBUTION	**$264,003,405**	**$353,960,151**
General Unsecured Claims	($8,111,069,265)	($8,001,536,152)
Estimated Recovery $'s for Unsecured Claims [E]	**$264,003,405**	**$353,960,151**
Estimated Recovery % for Unsecured Claims [E]	**3.3%**	**4.4%**

Footnotes:

[A] Value based on anticipated proceeds to the Estate at confirmation related to the FDIC Settlement Agreement from REO and certain Colonial bank accounts.

[B] Recovery figures do not include any potential avoidance actions, litigation with former professionals, or any other potential litigation matters. In addition, the amounts above do not include any recoveries associated with Platinum Community Bank or the BB&T Funds (as defined in the FDIC Settlement Agreement). The likelihood of such additional recoveries would be significantly higher in Chapter 11 vs. Chapter 7.

[C] Currently reviewing / analyzing the overlap between the individuals holding potential WARN Act Claims and those who filed Priority Claims for un-paid vacation pay.

[D] The extent and validity of Liens are currently under review.

[E] Estimated recovery for Unsecured Creditors is based on face value of Claims and does not contemplate the overall recovery for Unsecured Trade Creditors via the FDIC Settlement Agreement.

Other Notes:

TBW's co-debtors Home America Mortgage Inc. ("HAM") and REO Specialists, LLC ("REO") have a limited number of Creditors and few assets. As a result, it will be more efficient for the HAM and REO estates to be administered by the Plan Trustee along with TBW rather than having separate Chapter 7 cases, and thus separate Chapter 7 Trustees, for HAM and REO.

TBW Recovery Analysis
Chapter 7 - Forced Liquidation

	Low End Estimate	High End Estimate
CASH		
Cash On-Hand - As of 8-31-10	$54,109,604	$54,109,604
Net change in cash from 9-1-10 to 12-31-2010	($1,877,975)	$37,450,070
Bank Balance - As of estimated confirmation of 1-1-2011	**$52,231,629**	**$91,559,674**
ASSET RECOVERIES [A]		
Unpaid Advance Reimbursement	$0	$45,000,000
Non-Essential Asset Recoveries	$250,000	$500,000
Totals	**$250,000**	**$45,500,000**
ESTIMATED ASSETS AVAILABLE FOR DISTRIBUTION	**$52,481,629**	**$137,059,674**
ADMIN, PRIORITY, TAX AND SECURED CLAIMS		
Chapter 7 Liquidating Trustee Fees	($1,574,449)	($4,111,790)
Additional Chapter 7 Trustee fees (Knowledge transfer)	($5,000,000)	($2,500,000)
Trade & Expense Payables	($3,820,000)	($3,820,000)
Unpaid Professional Fees as of Chapter 7 filing	($750,000)	($400,000)
Administrative Claims	($1,294,446)	($1,294,446)
Priority Tax Claims	($1,967,480)	($1,967,480)
Priority Non-Tax (Employee Un-paid Vacation) Claims **[B]**	($1,896,166)	($208,084)
WARN Act Claims **[B]**	($28,000,000)	($16,107,450)
Secured Claim - Sovereign **[C]**	$0	$0
Secured Claim - Natixis **[C]**	$0	$0
Totals	**($44,302,541)**	**($30,409,250)**
ESTIMATED TOTAL AVAILABLE FOR DISTRIBUTION	**$8,179,089**	**$106,650,425**
General Unsecured Claims	($9,099,257,962)	($9,112,838,594)
Estimated Recovery $'s for Unsecured Claims	**$8,179,089**	**$106,650,425**
Estimated Recovery % for Unsecured Claims	**0.1%**	**1.2%**

Footnotes:

[A] Recovery figures do not include any potential avoidance actions, litigation with former professionals, or any other potential litigation matters. In addition, the amounts above do not include any recoveries associated with Platinum Community Bank or the BB&T Funds (as defined in the FDIC Settlement Agreement). The likelihood of such additional recoveries would be significantly higher in Chapter 11 vs. Chapter 7.

[B] Currently reviewing / analyzing the overlap between the individuals holding potential WARN Act Claims and those who filed Priority Claims for un-paid vacation pay.

[C] The extent and validity of Liens are currently under review.

Other Notes:

TBW's co-debtors Home America Mortgage Inc. ("HAM") and REO Specialists, LLC ("REO") have a limited number of Creditors and few assets. As a result, it will be more efficient for the HAM and REO estates to be administered by the Plan Trustee along with TBW rather than having separate Chapter 7 cases, and thus separate Chapter 7 Trustees, for HAM and REO.

EXHIBIT D

FDIC Plan Support Agreement

[TO BE PROVIDED]